# DOCUMENT RESUME

ED 179 838 CG 013 977

| | |
|---|---|
| AUTHOR | Harvey, Donald R.: And Others |
| TITLE | Developing a Personal Approach to Financial Counseling. |
| INSTITUTION | Virginia Polytechnic Inst. and State Univ., Blacksburg. |
| SPONS AGENCY | Office of Education (DHEW), Washington, D.C. |
| PUB DATE | May 79 |
| NOTE | 90p.: For related documents see CG 013 975-78 |
| EDRS PRICE | MF01/PC04 Plus Postage. |
| DESCRIPTORS | Assertiveness; *Counseling: Counselor Role; Counselors: *Financial Services: Intervention; *Money Management: *Professional Development; *Skill Development: *Training Techniques |
| IDENTIFIERS | *Financial Counseling |

ABSTRACT

This guide is designed to increase the financial counselors' awareness of the counseling field and to provide material which may be used by them in forming a personal counseling approach. Several approaches and techniques of counseling are presented as well as their potential application to financial counseling including the rationale approach, decision-making skills, values calrification, assertiveness training, crisis intervention, and referral. Strategies for developing professional competence in the area of financial counseling are also discussed. (Author/HLM)

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# DEVELOPING A PERSONAL APPROACH
# TO
# FINANCIAL COUNSELING

BY

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The Financial Counseling Project was funded by the Office of Education, United States Department of Health, Education and Welfare, in cooperation with the Extension Division, College of Home Economics and College of Education, Virginia Polytechnic Institute and State University, Blacksburg, Virginia 24061

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# FOREWORD

This publication is one of four developed at Virginia Polytechnic Institute and State University by staff of the Financial Counseling Project, an activity funded by a grant from the U.S. Office of Education. These materials are designed to help fill the need for training materials in the growing field of family financial counseling.

The effects of inflation and dramatic increases in the costs of food, utilities, transportation and medical expenses have left many Americans deep in financial trouble. Many individuals and families find themselves overindebted with consumer credit bills that they cannot pay. For some, this is partly due to increases in living expenses. Others, in response to advertising pressure and the lure of the "good life," have gone over their heads in debt trying to "keep up with the Joneses." These people often search for someone who can help them out of their financial difficulties.

There is a wide range of people who can, and often do, provide financial counseling to those who have problems with overindebtedness. The one type of agency that specifically deals with these problems is the Consumer Credit Counseling Service, with some 200 affiliated agencies throughout the country. People who live in areas without a CCCS turn to social service agencies, social workers, clergymen, extension agents, home economics teachers, community action programs, credit unions and other credit lenders, in addition to other sources of help. Many of the above professionals have no specific training in how to deal with problems of personal or family finance and find it difficult to locate educational materials to teach them how to give assistance with financial problems.

The field of "financial counseling" is very broad and includes such areas as investment counseling, estate planning, budget counseling, and even consumer education. These publications specifically address those counselors who assist people with a variety of financial problems rather than those who provide investment advice. The broad term "financial counselor" is used throughout the material.

The materials we have developed are based both on previous research and previous materials developed at Virginia Polytechnic Institute and State University. To determine in which areas of family financial counseling there existed the greatest need for new instructional materials, we surveyed a wide cross-section of people who work directly or indirectly with people and their financial dealings. Consumer credit counselors, welfare agencies, credit union personnel, social workers, extension agents, clergymen, bankruptcy trustees, community action program workers and others were included in both our nationwide and in-depth Virginia surveys. These and earlier materials reflect the needs discovered in this survey.

One of the new publications is an adaptation of self-instructional modules to group format. Various agencies are now teaching financial counseling to groups of people and there was a perceived need to provide group instructional materials for financial counselors.

Another of the new publications is a group leaders' guide for presenting consumer education and financial management classes to client and community groups. The majority of Americans have had no exposure to these basic knowledge and skill areas and as a result, get into financial difficulties. It is hoped that by teaching consumer groups, a financial counselor can provide preventive education to people before they get into a financial jam.

The third publication is designed to increase financial counselors' awareness of the counseling field. It presents numerous approaches to counseling and points out their potential application to financial counseling. One current issue in financial counseling is the development of professionalism. This material provides an overview of a variety of counseling approaches that can be integrated into either a counselor training program or into an individual counselor's style.

The fourth publication is a guide to community services that can be used by a financial counseling agency to develop a community service handbook. If completed, this can provide a financial counselor with comprehensive listings of community resources and can be used as a referral guide.

The Financial Counseling Project is clearly aware that various financial counselors and agencies operate in diverse ways. Therefore, it is expected that users of the materials will adapt them to their own unique needs. These are prototype materials which we hope will provide the direction for future development and refinement of a complete set of financial counselor training materials.

## Chapter 1

# DEFINING THE SITUATION: AN INTRODUCTION

Financial counseling is an emerging field which is gaining national recognition as an important community service. Its primary purpose has been to work with individuals and families who are experiencing financial difficulty due to living beyond their means, inadequate management of current resources, or other types of financial problems. The goal of financial counseling has been to assist the client in bringing his finances under control and then to maintain this control. With the use of credit within the United States on the increase, it is suggested that there will be an even greater need for the service of financial counseling in the future.

Coupled with the emergence and widespread practice of financial counseling, however, is the appearance of two areas of concern which warrant close attention. The first of these two areas of concern is with what a counselor does with the client while in counseling. The second area of concern is with counseling results, or the effectiveness of the counselor. It is the contention of the authors that, as a general rule, both areas warrant a great deal of attention. The intention of this material is to address both of these areas and offer what are believed to be realistic alternatives in resolving the problems.

## What's Being Done in Counseling

What is actually being done with the client while in the counseling relationship appears to be closely related to the counselor's view of what his role actually is. Many financial counselors view their role in working with a client as taking in a great deal of factual financial information and developing what appears to be a good and workable adjusted financial plan or budget. The client is then sent on his way to gain and maintain control over his financial affairs. This "Go, my child and sin no more" concept is quite prevalent. The general tendency for this approach is pointed out in a study of community-based credit counseling programs conducted in 1966 (Hall, 1968). It reported:

> There is evidence that a major portion of the time of the counselors is devoted to one problem: developing a payment adjustment plan for the family. The number of rejections, the number of persons who "drop out" from these payment adjustment programs, as well as the statistics of services given, are the evidence of this one absorbing direction of effort.
>
> It is apparent that this concept of the role of the counselor exists not only in the newly organized credit counseling services, but in older ones as well. It is obvious that the role of the agency and the counselors working in these agencies will have to be brought into a different balance if a more effective re-education service is to be given, and if a broader range of families is to be served (p. 125).

What Hall appears to be saying is that the view of many financial counselors may be somewhat limited. An expanded viewpoint may bring greater counselor effectiveness.

Counselor role clarification is not a problem unique to the financial counseling field. It is inherent in all fields of counseling and can be a very individualized problem with individualized solutions. Should a counselor offer advice or should he refrain from this practice? Should he merely reflect client feelings or should a more directive approach be taken? How much responsibility for the client's actions should the counselor assume? These are only a small sampling of the questions associated with the problem of role clarification. These and other questions will be dealt with in the following chapters. An important question to ask at this point, however, is why do so many financial counselors currently choose the role of budget planners or financial advisors? The authors believe that their choice is the result of:

1. The genuine belief that budget planning or financial advising is the only job of the financial counselor; or

2. not knowing what else to do.

Regardless of why this approach is currently taken, it is believed to be too narrowly defined. It is hoped that those financial counselors who genuinely believe that this is their role will change their view as a result of reading this material. It is further hoped that those counselors who do not know what else to do will gain a clearer understanding of the counselor's role and the client's situation.

The problem with perceiving the role of the financial counselor as one of largely budget planning and/or financial advising is that it assumes that men and women are totally rational, responsible and capable of making behavioral changes with relative ease. All they need is to "have their house put in order" and everything will work out fine. The job of the financial counselor would be much easier if this were the case. Unfortunately, this assumption of man's simplicity is false. To the contrary, man is a complex organism.

In actuality, man is a rational being who at times behaves irrationally; he is a responsible being who at times behaves irresponsibly; a concise thinker who at times becomes perplexed and confused. He has emotions which can be either stable or fluctuating; he makes decisions, both good and bad; he has the potential for communicating effectively, yet has misunderstandings; he interprets, yet misinterprets; he perceives, yet misperceives; he influences others and at the same time is influenced by others; he has convictions, yet commits acts contradictory to these expressed values. As can be easily seen, man is an extremely complex organism. Coupled with his complexity is the fact that he exists in a society of equal complexity. Man constantly finds himself a member of social systems each of which place varying demands and expectations on his behavior. Therefore, to view the role of the financial counselor in working with such complexities as simply developing what appears to be a workable budget is itself simplistic.

## Effectiveness of the Counselor

The effectiveness of community-based financial counseling is related to what counselors do with clients, but is not entirely the same issue. Essentially, one is what we do while the other is the results of what we do.

Hall's (1968) study will again help us to see the problem more clearly:

> The experience with counseling services has not taught many families the use of a budget and disbursements. Only 13% report the present use of a written budget. Two-thirds of the families report no change in the way they plan the use of their family income (p. 122).

The families referred to in the above quotation were not those who dropped out after brief participation; nor were they those who were rejected by the Family Credit Counseling Service. The statement was made of those who chose to continue services with community financial counseling services. Although marked improvement in finances of many of the families' current situation was noted, there was generally very little change in how money was managed. How effective are financial counseling services? How high are drop-out rates--those clients who are labeled "uncooperative" or "disinterested"? Why do they drop out? How much reeducation is actually taking place? Is this even seen as being a legitimate goal of financial counseling by most counselors? These are some aspects of the problem of effectiveness.

The project staff preparing this booklet view these two problem areas as being closely related. There is a close relationship between

(1) how a counselor views a client,

(2) what he does with him, and

(3) the results of his intervention.

It is believed that if a counselor will add to his own personal counseling approach some of the concepts which will be proposed in this booklet the results will be twofold:

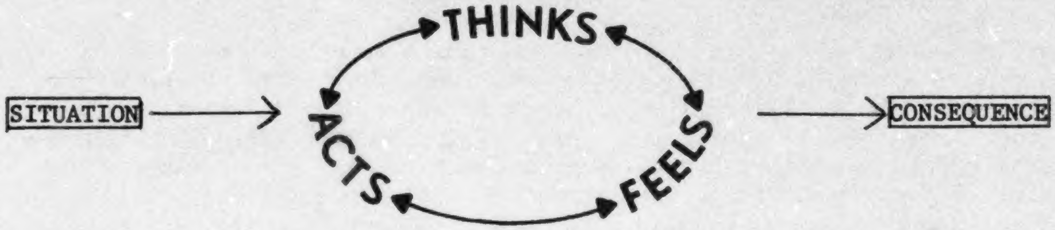
(1) The counselor will develop a personal counseling approach that will encompass:

   (a) a more realistic view of the client by gaining an understanding of the client's complexities;
   (b) an understanding of what the responsibilities of the counselor are in the counseling relationship;
   (c) a framework for determining more exactly those areas causing problems for the client;
   (d) a means of dealing with the client's problems.

(2) Greater effectiveness. The counselor will have a better chance of successfully assisting the client to change his behavior so as to gain and maintain control of his financial affairs.

The approach of this material will be to view the client, and people in general, as complex as opposed to simple organisms. If man is viewed as a simple organism then our approaches and solutions tend to be simple. If he is viewed as a complex organism, then the approach of dealing with his particular situation will require more than pat answers and limited procedures. In viewing him as complex, there will be a focus on the basic components which make up all people.

THE INDIVIDUAL



The diagram above illustrates what occurs with any action a person takes. Although there is a great deal of debate concerning which of the three central areas is of the greatest importance (thinking, feeling, or behaving), it is quite accepted that all occur. The situation and consequences have varying degrees of influence on these areas.

It is not the purpose of this material to merely provide the counselor with just interesting information, but rather to allow him to see the client in such a way that the client's problem areas will be more adequately identified. A great deal has already been said concerning the development of a workable budget as the misdirected goal of a financial counselor. This is not to say that a counselor should not develop a workable budget. In fact, a major goal of financial counseling is to develop a sound financial plan for a client. Yet clients frequently have problems which must be addressed by the counselor (compulsive spending, not accepting responsibility for debts, irrational beliefs about money, easily persuaded by others, etc.) before any significant changes can occur. It is essential for the counselor to deal with these problem areas if the goal of client implementation of a new financial plan is to be achieved. It is emphasized that, if a new budget is planned with very little other counselor intervention, only marginal results can be expected. How much carry-over into everyday living can be expected if the client's irrational beliefs about money are unchanged? What if he continues to act without consideration of consequences or continues to allow high-pressure salespeople to take advantage of him? If changes are not made in the basic component areas of the client's life, it is unlikely that re-education will take place. It is the belief of the authors that the more problem areas which can be identified and successfully dealt with by the counselor, the greater the effectiveness in goal attainment.

It is recognized that not all clients will have problems in all of these component areas. However, it is believed that the counselor should be prepared to intervene in any area requiring adjustment. Again, the thought here is the greater number of points of intervention, the greater the chance of success. Some of the following chapters will deal specifically with the component areas pictured in the diagram. These chapters will not be just exercises in theory but will also include how the counselor should see himself in the counseling relationship, the responsibilities of the client, ways to identify client problem areas, and suggestions as to how to intervene. Other chapters will deal with related areas of interest to the financial counselor with a heavy emphasis on intervention techniques. Chapter 10 will discuss how the material presented in this volume can be placed into a personal counseling framework.

In summary, it should be re-emphasized that what is being presented in this booklet is not an attempt to mold all counselors into a single approach to financial counseling. What is offered is a logical response to problems which have arisen as a result of the way many financial counselors are currently functioning.

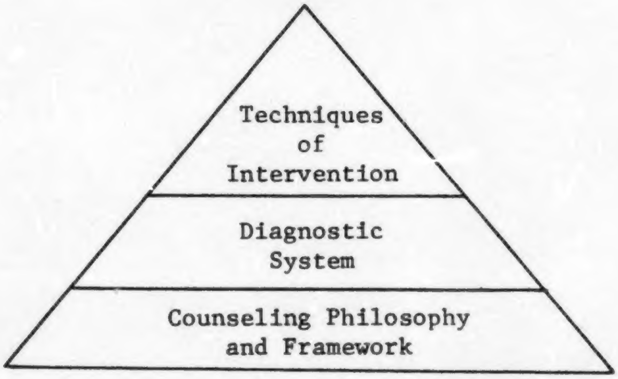
Three concepts are proposed:

(1) Man is complex.

(2) If I view him as complex, I then have to deal with his complexities.

(3) The greater the number of his component areas with which I can successfully deal, the greater my chances of enabling the client's current and continued success.

It is hoped that many of the concepts presented in the following chapters will find a place in your personal counseling approach. As you read through this material, keep the following diagram in mind:


Techniques of Intervention
Diagnostic System
Counseling Philosophy and Framework

Attempt to see at which level the material belongs. Counselor effectiveness depends upon a logical movement from level to level. The material presented in this volume is based on this framework. It is hoped that your own personal counseling philosophy, means of determining problems, and techniques for intervening will become more concrete as a result of your readings. Our goal is your goal––enhancing the effectiveness of counselor intervention.

The following 5 exercises are intended to aid in your understanding the material just read. You may select 1 of 4 possible answers. After indicating your choice, correct answers may be found in Addendum #1.

| | | | |
|---|---|---|---|
| 1. | The purpose of this volume is | (A)<br>to mold all counselors into a single approach of financial counseling. | (B)<br>to provide material which may be used by financial counselors in forming a personal counseling approach. |
| | Circle your choice: | A B | Both Neither |
| 2. | The authors believe that man is | (A)<br>simple. | (B)<br>a complex organism. |
| | Circle your choice: | A B | Both Neither |
| 3. | Whether a counselor views a client as being simple or complex has a great deal to do with what he does with him. | (A)<br>True | (B)<br>False |
| | Circle your choice: | A B | Both Neither |
| 4. | The basic components which make up an individual are | (A)<br>thinking and behaving. | (B)<br>feeling and thinking. |
| | Circle your choice: | A B | Both Neither |
| 5. | A major goal of the financial counselor should be for the client's re-education. This means that the client should be helped to change his money management principles and philosophy. | (A)<br>True | (B)<br>False |
| | Circle your choice: | A B | Both Neither |

# References

Hall, P. Family Credit Counseling, An Emerging Community Service. New York: Family Service Association of America, 1968.

## Chapter 2

## WHAT IS A COUNSELOR?

It is far easier to ask "What is a counselor?" than it is to answer the question. Part of the difficulty in determining exactly what a counselor is lies in the fact that many people from extremely different occupations use the term to describe what they do. For example, there are marriage counselors, family counselors, individual counselors, group counselors, gudiance counselors, vocational counselors, personal counselors, sex counselors, counselors of law, diet counselors, funeral counselors, real estate counselors, etc. The list is quite long. An automobile mechanic recently advertised himself in a local newspaper as an "automobile counselor." A question asked at this point is whether all of these individuals are really counselors or would some of the titles be more accurate if they were changed.

Webster's Dictionary offers the following definition of counseling:

> a practice or professional service designed to guide an individual to a better understanding of his problems and potentialities by utilizing modern psychological principles and methods, especially in collecting case history data, using various techniques of the personal interview, and testing interests and aptitudes (p. 518).

To summarize Webster, a counselor uses psychological methods to guide an individual to a better understanding of his problems and potentials. Although this definition is helpful, it hardly answers the question. Furthermore, many professional counselors would disagree with "guiding an individual to a better understanding of his problems and potentials" as the major goal of counseling. In short, Webster's definition provides only a limited amount of help in answering our question.

Some professionals in the counseling field have attempted to specify what counseling is. One generally accepted underlying assumption is that counseling is one of the professions which emphasize a "helping relationship" (Shertzer and Stone, 1968). By this, it is meant that:

1. a person has a need;

2. the helper enters into a relationship with the person in need; and

3. the purpose of the relationship is to contribute in a positive way to the person's fulfilling their need.

Shertzer and Stone provide additional clarity to this major concept by describing the characteristics found in a helping relationship.

1. It is a meaningful relationship. It is important to all participants; it is personal and intimate as opposed to being superficial; and it is relevant.

2. Feelings are present. Those involved are sensitive to each other and private and confidential matters are discussed. The trust which is built allows for expression of feelings as opposed to cold and expressionless exchanges.

3. All those involved are respected. Because each individual is a person of worth, respect is accorded to all. An attempt is made to be intellectually and emotionally honest with each other.

4. Each participant is involved by his own consent. The absence of outside pressure is a major assumption of the helping relationship. Each person enters into the relationship by choice.

5. The one who seeks help has needs. The needs may be quite varied and may not be specifically known when help is sought; however, the person seeking help recognizes a need for help.

6. The relationship is conducted through communication and interaction. Each person talks, reacts and responds to the other. This is done both verbally and non-verbally.

7. There is some kind of structure present. One person is the helper and the other person is being helped.

8. The participants cooperate and work toward an acceptable goal. There is a joint effort with the one being helped free to reject or accept different intervention efforts.

9. The helper is approachable and secure as a person. The helper is both accepting of others and stable as a person.

10. Change is the goal. Whether it be personal understanding or modified behavior, change is the goal.

As noted above, the recognition of counseling as a helping relationship is an underlying assumption that is widely accepted by professional counselors. Many other professions, however, also accept the "helping relationship" concept as a basis for their work with people. For example, fields of social work, psychiatry and psychology are all viewed as helping professions (Shertzer and Stone). Yet these fields have marked differences from the field of counseling. These differences lie not only in what is done, but also in who is seen as clients. Therefore, with the relationship as a foundation, it is necessary to look at the duties expected of counselors specifically. Wrenn (1965) suggests that a counselor, regardless of the setting in which counseling takes place, has five specific duties.

1. The counselor enters into a relationship with the client.

   Basically, this is the establishment of the "helping relationship." The strongest quality of this relationship is that the counselor and the client trust each other. Trust is not something that happens all at once. This process of establishing a relationship and building trust is known as the development of rapport. It involves accepting the other person (although not necessarily his behavior) as a human being of worth. The counselor's purpose in entering this relationship is to work toward the positive benefit of the client, not personal gain. It will be noted at this time that while the establishment of rapport with the client is important, it is not the only duty of the counselor. To do nothing more than enter a relationship is to stop short of the goal.

2. The counselor provides alternatives in both self-understanding and in the courses of action open to the client.

   As noted earlier, before a helping relationship can be entered, the client must recognize that a need exists. This is generally what prompts him to seek the services of a counselor. Typically a client is confused about himself or the situation in which he finds himself. He frequently asks for advice. The giving of advice or telling a client what he "should do" in a situation is beyond the scope of counseling. It moves the responsibility for decision making from the shoulders of the client to those of the counselor. If the advice is followed and the results are ineffective, the counselor is blamed. On the other hand, if the results are effective, the client tends to become dependent upon the counselor instead of learning to handle his own problems independently. Obviously, advice-giving has definite drawbacks. Rather, the counselor takes a different approach and allows the client to retain responsibility for decision making. Due to his training, experience and objectivity the counselor is generally more able to "see the forest through the trees." After determining the client's perceptions of the problem, the counselor can suggest alternatives which are being overlooked or clarify possible client misconceptions. This enables the client to potentially handle his problem in a more effective manner.

3. The counselor provides some degree of intervention into the client's situation.

   The techniques used in intervention can be quite varied. How a counselor intervenes depends a great deal upon how he identifies problems and what he thinks works in changing client behavior. Specific intervention techniques are discussed in later chapters in this volume. It is important to note at this time, however, that counselors do intervene in some manner into the client's situation. The goals of counselor intervention are to (1) help the client to more effectively deal with his current situation, (2) enable him to deal more effectively with "significant others." the important people in his immediate life, and (3) provide skills so that future situations can be handled with less need for assistance.

4. The counselor takes the initiative in developing a healthy psychological environment for his client.

First, the counselor is self-assured and emotionally healthy. This provides a model for the client to see. Second, the counselor focuses on the client's self-defeating attitudes and behaviors. He leads the client toward understanding and acceptance of past problems and encourages the client to adopt a positive attitude and plan of action for solving the problem.

5. The counselor provides for the improvement of the counseling process through constant self-evaluation.

Every counselor has the duty to assess himself. He is to evaluate his effectiveness as a counselor. Are his techniques working? How can he improve his ability to help clients? What new research is there in his area? How can he increase his skills? The focus here is upon the professional constantly evaluating his effectiveness and trying to improve his skills.

As indicated above, one of the duties of the counselor is to provide some degree of intervention into the client's situation. This duty provides the foundation for a great deal of disagreement within the counseling field. Two areas of controversy will be addressed at this time, The first issue centers around the degree of active involvement of the counselor. The counselor's duty is to provide "some degree of intervention." This is a fairly broad statement and allows for a wide range of counseling approaches. Counseling approaches are generally placed on a line or continuum according to the degree of lead or control exercised by the counselor. The two end points of this line commonly represent extreme opposites in counseling approaches, that is, "directive" and "non-directive" approaches.

NON-DIRECTIVE ___least___(counselor lead)___most___ DIRECTIVE

acceptance
restatement
clarification
summary
summary clarification
general leads
reassurance
interpretation
advice
rejection

Approaches described as directive find the counselor taking a more active and leading role in the relationship. The counselor tends to be action oriented and attempts to get the client actively dealing with his problem. Approaches described as non-directive find the counselor taking a more passive role in the relationship. The counselor generally responds to client comments in non-commital ways. Loughary (1961) provides brief explanations of the various "counselor leads" found along the continuum.

Acceptance - wishes to convey or communicate that what has been said is understood--nod, smile, "uh-huh", etc.

Re-statement - employed to (1) convey acceptance, (2) allow client to rest, and (3) provide client with feedback. Counselor simply repeats what the client said and does not add any new material.

Clarification - entails definite leading by the counselor---some new content is added. Used to better state an assertion made by the client.

Summary - Counselor listens to what the client is saying, decides what is important, and feeds it back to the client in a more organized way.

Summary-Clarification - used with larger segments of the interview. The larger the segment being summarized the more abstract it becomes; thus, the greater the contribution of the counselor.

General leads - Counselor asks the client to do something, thus taking definite responsibility for the interview.

Two kinds:

(1) General - "Would you like to tell me something about yourself?"

(2) Probing - asks direct questions attempting to lead the client to new insights.

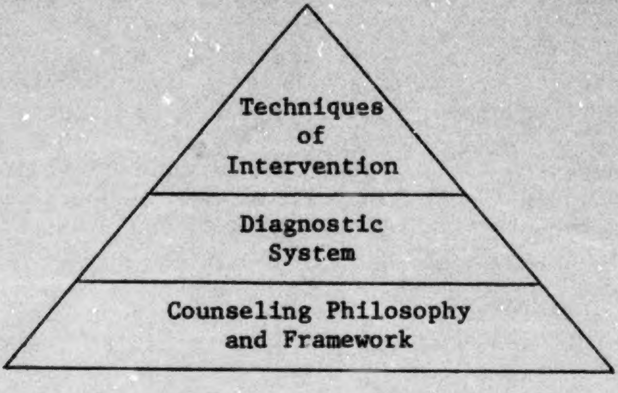
Reassurance - used to maintain rapport and to directly confirm an assertion of the client's.

Interpretation - explaining to the client what his behavior really means - hidden motives, etc.

Advice - telling the client what to do.

Rejection - focus on counselor's feeling, --- strong support of a position opposite to that of the client.

In addition to gaining a clearer recognition of where one fits on this continuum of "directiveness", it is important to understand why some counselors are non-directive while others are directive. The answer to this question is found in the diagram in Chapter 1. The determining factor is the counselor's philosophy of counseling, which is directly related to his philosophy of life and conception of man. More specifically, counselors have to form an opinion or viewpoint of what causes a person to behave as he does and what will cause him to change that behavior. A non-directive counselor generally takes the position that clients are capable of solving their own problems and that all they need from the counselor is an accepting relationship which will allow them to do so. On the other hand, more directive counselors view clients as needing more active intervention in order to change their behavior. They do not necessarily discount the need for a positive client-counselor relationship, however, see this relationship as the foundation which will allow them to more actively or directly intervene. It is important for the counselors to determine what their philosophy of counseling is. How problems are detected and what is done to intervene in these problems are built upon a firm foundation of counseling philosophy.


Techniques of Intervention
Diagnostic System
Counseling Philosophy and Framework

Finally, the last issue to be addressed is actually a clarification of the helping relationship. Those in the helping professions view their role as one of "helping people." While this is a correct statement it is also incomplete. Actually, the intent of the helping professions is to "help people to help themselves." This "completed" statement does a great deal to clarify duties, responsibilities and limitations of both the counselors and the client in the counseling relationship. The counselor is responsible for providing assistance to the client but not to the extent where the client is relieved of his responsibility for making decisions, accepting the consequences of his actions, or contributing in a positive manner to the solution of his problem. It is important for those in the "helping professions" to recognize that all those involved in a helping relationship (professionals and clients) have responsibilities.

## APPLICATION TO FINANCIAL COUNSELING

### 1. Are financial counselors really counselors?

The preceding pages have been directed toward the question "What is a counselor?" It has been suggested that (1) counseling is a helping relationship and that (2) counselors have specific duties to perform during the counseling process. We now focus on the question "What is a financial counselor?" An additional concern would have to be whether it is legitimate to use the term "counselor" when describing what is done in financial counseling settings or whether such terms such as financial advisors or budget planners would be more accurate.

There is probably no single answer, either "yes" or "no", which would be absolutely correct. Rather, the concern of whether financial counselors are really "counselors" would have to be answered on an individual basis. The guidelines for the counselor, regardless of the counseling setting, were listed above. A counselor (1) enters into a relationship (not just an acquaintanceship) with the client; (2) provides alternative ways for the client to view things and do things; (3) intervenes into the client's situation; (4) leads the way in developing a healthy psychological climate for the client; and (5) constantly evaluates his own performance in order to improve his ability to help others.

If the financial counselor is applying these guidelines to what he is doing when working with a client, then it is quite likely that the term "counselor" is appropriate. If these guidelines are not being applied, then "counseling" is probably not what is taking place.

Again, it will be noted that no attempt is being made to be unduly critical of the work being done in the field of financial counseling. Neither is it being asserted that budget planning is not important. Obviously, in financial matters, budget planning is very important. However, in financial counseling, budgeting is only a part of what needs to be taking place. The intent of this chapter is merely an attempt to bring to the awareness of those financial counselors who are constantly dealing with clients that what they are actually doing with their clients may or may not be counseling, regardless of their title. Any decision to change the manner in which clients are dealt with is totally up to the individual.

### 2. Expectations of Financial Counselor Skills

It has already been mentioned that financial counselors are expected to be more than financial advisors or budget planners. On the other hand, neither are they expected to be professionally trained psychotherapists. These two examples would represent extreme opposite points on a line or continuum. Rather, financial counselors would lie somewhere between these two positions. They are expected to be aware of the complexities presented by their clients and to be able to both recognize and intervene in more problem areas than just poor budget planning. Suggestions for doing this are presented in following chapters.

3. Not all clients will be helped.

A final comment is necessary. Whether it is a situation where no amount of counselor intervention would bring positive change, or the timing is not right for producing change, or just a variety of other reasons which are beyond the counselor's control, not all clients can be helped. This is unfortunate but is a fact of life in all fields of counseling. Although this is not the counselor's desired outcome, it is inaccurate to assume the position that the counselor has failed. The counselor would be far better off, once he has done everything he knows to do, if he recognizes that he has fulfilled his responsibility to the client. The client is ultimately responsible for any change in his behavior.

This chapter has explored the role and definition of a counselor. Although many people of varying occupations may use the term "counselor" in describing what they do, many of these are probably in error. Guidelines were presented which will allow financial counselors to evaluate whether what they are doing is actually counseling. The following chapters are intended to help those who wish to pursue financial counseling to improve their counseling skills.

The following 5 exercises are intended to aid in your understanding the material just read. You may select 1 of 4 possible answers. After indicating your choice, correct answers may be found in Addendum #1.

| | | (A) | (B) |
|---|---|---|---|
| 1. | The term "counselor" is . . . | only used by a small number of professionals who perform specific duties. | used by many people from a wide variety of occupations. |

Circle your choice: A B Both Neither

| | | | |
|---|---|---|---|
| 2. | Which of the following are characteristics of the helping relationship. | -mutual consent<br>-sensitivity<br>-seeker has needs<br>-structure is present<br>-helper is approachable | -mutual respect<br>-communication<br>-change is the goal<br>-meaningful<br>-cooperation |

Circle your choice: A B Both Neither

| | | (A) | (B) |
|---|---|---|---|
| 3. | Establishing a strong personal relationship with a client is the goal of counseling. | True | False |

Circle your choice: A B Both Neither

| | | (A) | (B) |
|---|---|---|---|
| 4. | According to Wrenn, one of the duties of a counselor is . . . | to provide some degree of intervention into the client's situation. | to provide alternative ways for the client to view things and do things. |

Circle your choice: A B Both Neither

| | | (A) | (B) |
|---|---|---|---|
| 5. | On a line from being a budget-planner on one end, to being a psychotherapist on the other, the financial counselor is expected to be . .<br>budget psycho | somewhere in the middle where he can intervene in more problem areas than just poor budgeting. | "all things to all people" and able to deal with all levels of problems. |

Circle your choice: A B Both Neither

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## Chapter 3

## PERSONAL RESPONSIBILITY

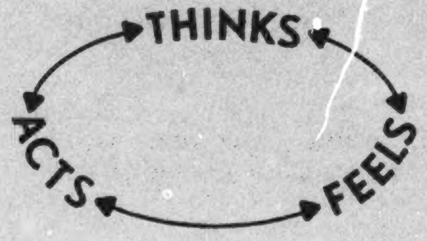
In the 1950's William Glasser, a psychiatrist, became dissatisfied with traditional therapy techniques which emphasized "client insight". He found that even when clients gained an understanding of why they were troubled, few of them were able to make any significant changes in the way in which they behaved. Glasser's frustration with the traditional methods resulted in his development of a set of principles known as Reality Therapy. Even though Reality Therapy is one of the newer of man's formal attempts to explain human behavior and map out a means of how one person can help another to achieve happiness and success, its principles are quite old (Glasser, 1973). However, for a variety of reasons, the large scale impact and effectiveness of these principles had not been until the past two decades and, to a large degree, as a direct result of Glasser's formulations.

The crux of Glasser's theory is personal responsibility for one's behavior. This is not only a goal of treatment but also a necessary requirement during treatment for the treatment to be effective. Glasser believes that until an individual accepts the fact that he is responsible for what he does, there can be no treatment. What has happened to one in the past does not matter. One still must take the full responsibility for what one does now (Glasser, 1965). Personal responsibility for what one does is the recurring theme of Reality Therapy.

Although Glasser's Reality Therapy was largely the result of his experiences with extremely maladjusted individuals, its principles and techniques have proven to have been beneficial in widespread application. It has proven to be a system of ideas which can help virtually anyone to learn how to live more successfully. It is this fact that underlines its usefulness and consideration for financial counselors. Financial counselors will probably not often deal with individuals who are exhibiting characteristics of extreme maladjustment. To do so effectively would generally require a set of skills and techniques not ordinarily possessed by most financial counselors. This is not to say that financial counselors will not at times encounter individuals with severe maladjustment. Only that, when encountered, it would probably be best to refer the client for "other" assistance. This issue will be taken up more specifically in a later chapter. However, as pointed out in the opening chapter, man is a responsible being who at times behaves irresponsibly. Glasser's principles deal effectively not only with maladjusted individuals who may be exhibiting a great deal of irresponsible behavior, but also with those individuals who, although behaving irresponsibly, are considered to be functioning within varying degrees of normality.

The reader will recall that a diagram was provided in chapter one, illustrating the relationship between feelings, thinking and behavior. Although this project staff has not chosen to establish either a preferred sequence in which these three components occur or to suggest which is the most important, Glasser does take a definite position. Reality

Therapy views all three components as being in a cycle and having an effect upon each other.



For example, when people feel better, they do more constructive things; when they do more, they feel better; when they think rationally, they feel better; when they feel better, they think more rationally, etc. However, Glasser takes the position that, even though all of these components are intimately related, it is far easier to affect the cycle at the "doing" rather than the "feeling" or "thinking" points. Essentially, a change in what we do and how we live will make a change in what we feel and what we think.

Glasser (1973) asserts that there are eight steps involved in helping a person to have a happier and more successful life. These eight steps are the principles of Reality Therapy.

Principle 1 Make Friends

As with many of the current counseling approaches, the client-counselor relationship is viewed as being extremely important. Unless the counselor becomes "personal" with the client and conveys an attitude of understanding and acceptance of the client as a total person, very little constructive change can be anticipated from counselor intervention. This attitude of acceptance does not mean that the counselor necessarily accepts all of the client's specific behaviors. The client may be doing things that are clearly not in his best interest or the best interest of others with whom he is involved. However, the counselor acknowledges the client's right to make decisions and the responsibility for any consequences.

Principle 2 Ask: "What are you doing now?"

The intent of asking what the client is doing now is to make him focus on the present. The past cannot be changed; only the present and the future. Before a client can learn better behavior, he first has to become aware of his present behavior.

Principle 3 Ask: "Is it helping?"

At this point, the client, and not the counselor, is asked to make a value judgment. Because of Step 2, the client is aware of his present behavior. Possibly for the first time in his life he is then instructed to make a judgment whether his behavior is responsible--good for him and those with whom he is meaningfully involved.

Principle 4 Make a Plan to do Better

In Reality Therapy, helping the individual to make specific plans to change failure behavior to success behavior is an extremely meaningful aspect of counselor intervention. With the help of the counselor, focus is upon the client's responsibility. Important concepts in planning are (1) make the plan realistic and (2) be willing to change or modify it if it doesn't work. The client knows it's not working if he doesn't get what he wants.

Principle 5 Get a Commitment

A plan is meaningful when a client makes a decision to carry it out. If a commitment is made and the client actually follows through on the plan, the chances for success are increased. Success breeds success. With successes come changes in attitudes.

Principle 6 Don't Accept Excuses

Reality Therapy does not suggest that the counselor judge, condemn or blame the client for failures. However, neither does it advocate total support and the acceptance of excuses. The plan failed. For whatever reason, it didn't work. Therefore, "let's make a new one together". Glasser has found that more is gained by redeveloping the plan to make it work than in discussing reasons why the old plan didn't work.

Principle 7 Don't Punish

The counselor does not punish a client when he fails. Although the goal of punishment is to get people to change their behavior, it is largely ineffective. Degrading statements from a therapist is a form of punishment.

Principle 8 Never Give Up

Glasser's intent is to emphasize the helping nature of the counselor-client relationship. From the viewpoint of Reality Therapy, regardless of client failures, the counselor always maintains the role of helping the client to help himself and accepting him as a total person. If the client should choose to end the counseling relationship, counselor responsibility also ends. However, as long as the client chooses to maintain the relationship, counselor responsibility is clear.

## APPLICATION TO FINANCIAL COUNSELING

While this intervention approach has proven to be quite effective for many counselors in a variety of situations and circumstances, this can also be said of other approaches. It is the contention of the authors that there are some aspects of this theory which can be more generally applied to the field of financial counseling than others. The three general points which follow are believed to be especially applicable to the financial counseling field.

## I. Accepting Responsibility for the Problem

A. For the Client -

Generally, this entails for the client a recognition and acceptance of the following points:

1. The client created the problem. According to Glasser (1973), regardless of special circumstances or conditions in his particular situation, he is where he is because of decisions he has made. This may appear to be somewhat harsh, especially in cases where there have been extreme external circumstances which appear to be well beyond the client's control. However, until the client ceases to cite excuses for why things are the way they are and begins to deal with changing the way they are, little progress can be made.

2. The client owns the problem. This is to say that the problem is not the counselor's or anyone else's. The problem is the client's. Whether he likes it or not; whether he accepts it or not; he is the responsible individual.

3. The previous plan isn't working. If it were, the problem would not be present.

4. A better plan needs to be developed. This offers the greatest chance for change.

5. Only the client can carry out the plan.
   (1) "I can help you, but, you're the only one who can get yourself out of debt."
   (2) "It will not be quick or easy."
   (3) "You must be willing to make some changes."

It is possible that the client may note some improvement in his current financial situation without accepting responsibility for his actions. This could be especially true if a financial counelor does a great deal of intervening for the client. However, long-term improvement in his financial situation would be highly unlikely. Unless the client assumes responsibility for his behavior in financial as well as other areas of his life, no re-education or carryover into his personal life style and money management practices can be expected.

B. For the Counselor -

It should be emphasized at this time who really owns the problem. The counselor is not responsible for the client's indebtedness; neither is he responsible for getting the client out of debt. This is not to imply or suggest that counselors do not care for their clients. However, the role of the counselor is one of maintaining a helping relationship. By this, the counselor is helping the client to help himself. This involves viewing the client as being responsible--responsible for his behavior, even when he behaves irresponsibly. The counselor owes him that respect.

## II. An Action Oriented Approach

> "If you don't like what's happening to you,
> do something about it."
> "If what you're doing isn't working,
> do something different."

Glasser's approach is "action oriented." It not only makes the client responsible for his behavior, but it gets him busy dealing with his problem in a constructive manner. This approach fits well into the field of financial counseling with its emphasis on developing budgets, establishing controls on disbursement of funds, and general money management practices.

Glasser's principles lend themselves so readily to an action approach. "Do you like what's happening now--are you happy? Obviously, if this were the case, if the client had no problem, he would not be in counseling. Therefore, he is not satisfied with things as they are. "What are you doing about it?" How is the client handling the problem; what's his current plan? The client becomes aware that he is doing something (even doing "nothing" is behaving) and recognition is a prerequisite to change. "Is it helping?" Is the current plan working? If not, a better plan is needed. This sequence is both logical and productive.

## III. A New Plan

If the previous two points have been recognized and accepted by the client, (1) accepting responsibility for both the problem and getting himself out of the problem and (2) recognizing that what he has been doing isn't working so that he has to change his behavior any type of plan will have a greater likelihood of success. It is important to recognize, however, that the construction of a plan is also extremely crucial. It is extremely important that plans be realistic. They need to be within the limits of the motivations and abilities of the client. It is better to formulate plans that are too simple, than to make them too complex with a risk of ending in failure. Be sure that the development of the plan is a cooperative effort of both the client and the counselor. The old adage "no man works for another man's goals" would apply to this situation quite well.

The following 5 exercises are intended to aid in your understanding the material just read. You may select 1 of 4 possible answers. After indicating your choice, correct answers may be found in Addendum #1.

| | | | |
|---|---|---|---|
| 1. | Although a person's thoughts, behaviors and feelings interact and affect each other, Glasser believes it is far easier to change this cycle by changing the person's behavior. | (A)<br>True | (B)<br>False |

Circle your choice: A B Both Neither

| | | | |
|---|---|---|---|
| 2. | The underlying theme of Reality Therapy is: | (A)<br>gain "insight" into why you're having difficulties. | (B)<br>personal responsibility for one's behavior. |

Circle your choice: A B Both Neither

| | | | |
|---|---|---|---|
| 3. | "Are you satisfied with your situation?"<br>"What are you doing?"<br>"Is it working for you--getting you what you want?"<br>These questions are intended to: | (A)<br>get the client actively dealing with his problem. | (B)<br>make the client aware of his current behavior. |

Circle your choice: A B Both Neither

| | | | |
|---|---|---|---|
| 4. | Reality Therapy suggests that the counselor should not accept client excuses. Instead, | (A)<br>he should try to make the client feel guilty. | (B)<br>the counselor and client should make a new plan. |

Circle your choice: A B Both Neither

| | | | |
|---|---|---|---|
| 5. | An important concept about making client plans is that | (A)<br>the plan should be realistic | (B)<br>it should be changed if it doesn't work. |

Circle your choice: A B Both Neither

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## Chapter 4

## THE RATIONAL APPROACH

The rational approach to counseling is largely a product of two men, Dr. Albert Ellis (the originator) and Dr. Maxie Maultsby, a colleague of Ellis. This approach centers around the idea that when one thinks and acts rationally two things occur:

- One gets more of what one wants from life.
- One very rarely gets upset about situations in life that are undesirable.

On the other hand, when one thinks and acts irrationally, the results are that:

- One gets less of what one wants from life.
- One is often upset, irritated, angry and depressed about situations in life (Ellis, 1962).

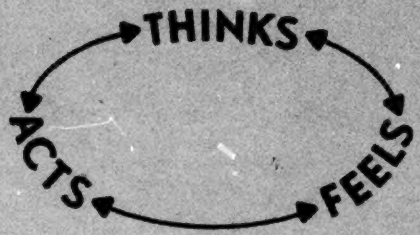
What is rational? There are many definitions, but the one we will use here was developed by Maultsby (1975). Adapted from his definition, a thought or an action is rational if it meets the following five criteria:

1. It is based on objective reality. That is, it conforms to what is real.
2. It serves to protect and prolong one's life. It does not threaten one's life.
3. It gets one what one wants from life. It produces positive results.
4. It keeps one out of conflict with other people. It does not create problems with others.
5. It keeps one from experiencing self-conflict. It doesn't cause anxiety, fear or self-doubt. It creates self-esteem.

Based on these criteria, a rational thought or act is one that protects your life, gets you what you want, doesn't get you into trouble with others, doesn't get you upset, and is based on what is real.

An irrational thought or act is based on faulty perception of what is real, threatens your life, gets you into hassles with others, gets you upset and results in your not getting what you want. People who frequently think and act irrationally spend much of their lives being upset, afraid or angry and mixed up in hassles with others. They also don't get what they want out of life.

In the rational approach, irrational acts are said to result from irrational thoughts. The following diagram was presented in Chapter 1:



— in the rational approach the emphasis is on the "thinks" area. The process used in rational counseling is to identify irrational thoughts and beliefs, challenge and root them out, and replace them with rational thoughts and beliefs.

The basis for the rational approach goes way back in history. Ancient philosophers said, "Men are disturbed not by things, but by the view which they take of them." What is meant by this is that things (like traffic jams) don't bother us. What bothers us is what we think about those things. If, as we sit in a traffic jam, we think, "Oh, this is awful! I hate this! It's so stupid to spend half my life stuck in a line of cars. That idiot ahead of me is holding everything up. If that guy honks his horn again, I'll kill him," then it is very likely that we will make ourselves upset.

We could, on the other hand, sit in a traffic jam thinking, "This is a city. It is also rush hour. Cities at rush hour have traffic jams. Since I am going home at rush hour, it is appropriate that I be in a traffic jam. I dislike being stuck in traffic, but the benefits I get from working in a city outweigh the annoyance of traffic. This isn't a bad price to pay for getting most of what I want." Chances are that if we think this way, we can get through the worst traffic jam with complete calm. At the worst, we may feel mildly annoyed.

For Ellis and Maultsby, this connection between how we think and how we feel is critical. Both developed a rational approach to counseling after finding that they were not getting good results using counseling methods that were standard back in the 1940's. They found that traditional methods led clients to an understanding, or insight, about their problems, but that understanding did not necessarily lead to any change.

Ellis (1973) found that just because a client understood why he was feeling the way he was, it did not mean that his feelings would change. Nor did understanding why he was behaving in a certain manner change the way in which he behaved. Faulty values and beliefs were so deeply ingrained that insight alone did very little to help his clients. After dealing with many clients, Ellis decided that the biggest problem most of them had was in their thinking. He divided thoughts into two categories: rational (factual and healthy for the individual) and irrational (non-factual and not healthy for the individual). Ellis believed that if he could change the irrational thoughts that people had--the unjustified and critical way that they saw themselves; unreasonable expectations placed on other people, relationships and situations; viewing things from extreme positions--to rational thoughts, that they would feel better and do better.

## APPLICATION TO FINANCIAL COUNSELING

It is believed that the rational approach can be applied to two areas: (1) the emotional upsets brought on by irrational thinking and (2) the self-defeating behaviors which are the result of faulty beliefs. Both of these areas of concern will now be reviewed with application to financial counseling.

### I. Emotional upsets as a result of irrational thinking

Reality is what is. It is facts and situations that exist. There is nothing essentially bad about reality, but we can convince ourselves that real situations are bad if we demand that things not be the way they are.

Financial problems are a good example. The fact that a person has a financial problem is inconvenient, undesirable, uncomfortable, and a sign that the individual is not getting out of his life that which he would prefer to get. It is not, however, awful, terrible, and catastrophic or an indication that a person is a stupid, helpless, pitiful fool who "can't manage money."

Approaching a financial problem from a rational point of view, one would see that:

a) A financial problem condition exists.

b) This condition is undesirable.

c) This condition came into being because the client managed money in the past in a manner that led to problems.

d) Therefore, the indicated problem is that the way the client has managed money in the past results in the client not getting what he wants.

e) The indicated solution to the problem is for the client to change his manner of managing money to a way that is more likely to result in a problem-free financial condition.

Viewed this way, the client can see that there was a specific reason why this undesirable situation developed, that this situation doesn't have to be permanent, and that there are certain things that he can do that will most likely improve the situation.

A key word in the rational approach is the word "should" (or "ought"). In the rational approach, things that do happen, should happen; situations that arise, should arise, because all the necessary events leading up to the situation have occurred.

For example, a client talking about a financial problem says, "This never should have happened." The client's statement is irrational. Let us say that the client spent all of his money, piled up a lot of debt payments and put no money away in savings for "a rainy day." If he gets laid off at work, he should have financial problems. It is normal, expectable, even predictable that one who doesn't plan ahead for "a rainy day" will have financial problems if he gets laid off.

A more rational statement for the client to make might be, "I didn't want this to happen" or "I didn't know this would happen" or "I dislike that this has happened." A client that uses irrational "should's" is denying reality--insisting that things be the way he wants them to be, rather than the way they really are.

In addition to "should" and "ought", there are other key words in the rational approach. "Always" and "never" are two words to watch. Very few things (if any) in life occur always or never. "She always charges too much." "He never writes down the amounts of checks." In reality, each of these two people probably fall into the category of "sometimes do, sometimes don't." Always and never do not describe reality. They are, rather, used in argument to classify something and to prove a point.

Following is a sample of a "rational debate" of a client's irrational statements. Frequently these are written down, somewhat like the following example.

## EXAMPLE

Situation: A man has come for financial counseling. What he sees as the problem is that his wife, who works near a shopping center, spends her lunch hour every day shopping. Mostly she buys gift items for other people. She spends some money every day which often totals up to $150 - $200 per month.

Client: "Take yesterday for example. She came home with four patterns for clothes. I was furious. She makes me so mad. Here I am trying to pay the bills and all she ever does is throw money away. She just doesn't care about me and the kids. How can she be so stupid? It doesn't matter to her whether I can pay the bills or not. And I can't talk to her about it--she's so pigheaded. She has enough patterns and material around the house to clothe the entire Russian Army, and she never makes anything. She's too busy buying stuff to get anything else done. The least she could do is make up the things she's got already before she buys anything else."

## Counselor's Analysis

1. "I was furious. She makes me so mad."

Counselor: "It is very seldom, if ever, rational to make oneself furious or even really angry when there is no actual threat of physical attack. Even then, anger may well interfere with self-protective action." (Maultsby, 1975.) Secondly, she doesn't make you mad. You do that to yourself. You think that her spending money is bad. In reality, what she does is neither good nor bad. Since you think it's bad, you want to force her to stop it and you make yourself very angry about what she does.

2. "Here I am trying to pay the bills and all she ever does is throw money away."

Counselor: You exaggerate a great deal here, and this kind of thinking is the fuel that fires your anger. She does not, in reality, throw money away--she buys things with it. Also, your wife eats, sleeps, cooks, drives the car, works, and spends a great deal more time on these things than she spends shopping. By telling yourself "all she ever does..." you are just throwing more irrational material into the case you are building against her. This statement paints a picture of good vs. evil--how good I am, how bad she is. In reality, you have a simple case of disagreement. You two don't agree on how to spend your money.

3. "She just doesn't care about me and the kids."

Counselor: It is irrational to believe that your wife's spending patterns prove that she doesn't care. What you're really saying is, if she cared, she'd do it your way. In reality, she has a right to act the way she wants to, and however she chooses to spend money is unrelated to whether she cares or not.

4. "How can she be so stupid?"

Counselor: This is merely a rhetorical question that needs no answer. Rhetorical questions are an alternative to making a statement like "She's stupid," and that is just irrational name calling. If in fact she's so stupid, what's a bright guy like yourself doing married to her? Because you don't approve of the way she spends money, you label it (and her) stupid. This kind of thinking serves only to increase your anger.

5. "It doesn't matter to her whether I can pay the bills or not."

Counselor: Unless you have ESP that allows you to read her mind, you cannot know this. Therefore, this thought is not based on reality and is irrational. Since your wife shares the same food, house, etc., with the rest of the family, it is highly likely that she does care that the bills get paid.

6. "I can't talk to her about it--she's so pigheaded."

Counselor: From what you've said, it sounds like you talk to her about this quite often. Therefore, saying you can't talk to her about it contradicts reality and is irrational. Furthermore, unless you have a handicap that prevents you from being able to speak, you can talk to her anytime you want. Pigheaded is just more irrational name-calling. Examine her head carefully--you will find it remarkably human-like and not at all like the head of a pig.

7. "She's got enough patterns and material around the house to clothe the entire Russian Army, and she never makes anything."

Counselor: Unless your house is the size of a huge warehouse it is physically impossible to have that much stuff in your house. This statement is more irrational exaggeration that serves only to fuel your anger and build your case against your wife. She likely makes some things, thus saying that she never makes anything is probably more irrational exaggeration.

8. "She's too busy buying stuff to get anything else done."

Counselor: Really, now, you're getting carried away by your irrational thoughts. See 2 above. She does many things other than shop. This statement is simply not true.

9. "The least she could do...."

Counselor: Least of what? Of what you want her to do? At any time, the least anyone can do is nothing. You are only stating here what you want her to do--complete the things she already has bought materials for. The rational fact is that she's not doing what you want her to do, and you don't like that.

## Discussion

What we have here is a situation in which a husband and wife disagree. Since his wife won't do what he wants, this man is using irrational thoughts--exaggeration, half-truths, untruths, name-calling--to build a case against her. By distorting the truth, he paints a picture of responsible, righteous him struggling against irresponsible, uncaring her in a classic battle of Good vs. Evil.

The irrational underlying belief is that if he can work himself up to a height of fury, he will gather enough strength to force her to do it his way. This is merely a carryover from our caveman days when such behavior was acceptable. Fortunately, this type of behavior is no longer socially acceptable. Unfortunately, the anger that this man is creating is likely to lead to physical problems such as ulcers, high blood pressure, heart problems, "bad nerves," etc. Or it could lead to a dysfunctional coping behavior such as retreat into alcohol or drug abuse.

The most unfortunate aspect of irrational thought is that its result is to make the situation worse rather than better. The end result of irrational thought is that the original "problem" gets worse rather than better. This couple, for example, had originally some difficulty in meeting their financial obligations. After building an irrational case against his wife, this man will likely add a great deal of marital conflicts to the situation. One could predict that there will be name-calling and blame-laying in their communication. And as their emotions get heated up, they become less and less likely to resolve the original problem.

## Rational Problem Solving

How can a financial counselor interrupt this process? There are some specific steps to follow in rational problem solving. The first is to get to the root of the problem. In the example, the client has stated that he is trying to pay the bills. What does this mean? Since most counselors are unable to read minds, it is best to discuss the specifics of the problem with the client long enough to be able to precisely state what the problem is.

In this case, it could be that last month there really wasn't enough money in the household account to pay all the bills in full. On the other hand, it could be that the client has his eye on a new fishing boat and since he can't get the money together to buy it, he is blaming his wife's spending patterns and is making her out to be the scapegoat because he can't have what he wants. Once the problem is clearly specified, the client and counselor can determine the approach to use to deal with it.

In this case, the specifics of the problem would be something like:

a. My wife has money to spend every lunch hour.

b. I don't approve of what she buys.

c. I want her to stop.

d. I want more money for paying bills.

e. I want more money for myself.

What is at issue here is the distribution of money in the family. Using all available information, the counselor would attempt to define precisely what is happening with this family's income. Perhaps the present distribution system is fair, equitable and agreed upon, but the man really wants to control all of it. On the other hand, the wife may be using charge cards on her daily purchases in a manner not agreed upon by the couple, and in a way that undermines previous agreements.

In either of these cases, one partner is not behaving as previously agreed. Even more likely, there may be no agreement. Many couples allow their financial life to "happen" without really planning it. Perhaps your client will need to negotiate a workable financial plan with his wife.

## Rational Restatement

It is beneficial for the client to learn how to state things in a rational manner. Thinking rationally, the client is less likely to become upset and agitated. As an example, look back at the client's original statement. Reworded rationally, this statement would go like this:

> Client: "Yesterday my wife bought four patterns. I didn't like that. We don't have sufficient money to meet our current bills and I don't think we can afford to buy things we don't need until we can get our bills paid. I talked with her about this, but so far she doesn't agree with me. I would like her to work on the projects she has at home already and finish them before she buys anything else, but she wouldn't agree to that."

This kind of statement is far more specific. It is a position statement, "I don't like what she's doing and I want her to...." From here, the counselor can get the wife's opinion and what she thinks they should do. Then the matter can be negotiated. This is far more productive than arguing about how pigheaded one's spouse is.

Clients can be taught to do this rational restatement on their own. Maultsby uses this technique, which he calls a Rational Self Analysis (RSA). He has clients write down their thoughts, check them to see if they are rational, and if not, to restate them as rational thoughts.

The rational approach can be a very productive one to use in certain cases. It is especially valuable when clients are creating a great deal of emotional anxiety because of their irrational thinking. It is also appropriate to use where clients have developed irrational expectations for their spouses.

## II. The behavioral results of irrational beliefs

The previous section illustrated the rational approach as applied to needless emotional upsets brought on by irrational thinking. Another significant application of the rational approach would be to focus on the area of actual client behavior. In other words, the concern here is with how the client's faulty belief system affects what he does as opposed to how it affects how he feels. Here we are concerned with the client's failure to manage money because of the irrational belief, e.g. "there will never be enough money anyway." A faulty belief like this one might lead the client to the conclusion that there is no use in his trying to work out a budget.

David Myhre, an experienced financial counselor and proponent of Rational Therapy, has developed the following list of irrational beliefs about money commonly held by his clients:

- There will never be enough.
- More money will solve problems.
- Money is a measure of self-worth.
- Using credit cards is always bad.
- Easy come, easy go.
- It can't be controlled.
- Money is the root of all evil.

(Myhre, 1978)

How many of you have had a client who lived by the philosophy "Easy come, easy go" or "It can't be controlled." This usually means that the client is not choosing to control it. The problem with some of these beliefs does not lie in the basic thought, but rather, with the extreme to which it is pushed. "Using credit is always bad." Few things are "always" anything. This is an example of over-generalization.

Once the irrational belief is determined by the financial counselor, the following steps should be followed in order to apply the Rational Therapy technique:

1. Confrontation - face the client with the self-defeating irrational belief which is indicated by his behavior.

2. Confutation - counselor shows the client where his basic irrational belief is mistaken. This requires logical and rational reasoning on the part of the counselor. He often challenges the client to validate his beliefs. Maultsby's five criteria can be applied here.

3. De-indoctrination - counselor helps get rid of irrational beliefs by providing better beliefs (beliefs that are better for the client).

4. Re-education - helping the client to develop a more rational philosophy of life, one less self-defeating than what has guided his previous decisions. This may involve homework assignments (Ard, 1976).

In summary, an attempt has been made to present the principles of Rational Therapy and their application to financial counseling. Focus of concern has been with two areas: (1) the emotional upsets brought on by irrational thinking and (2) the self-defeating behaviors which are the result of faulty beliefs. The counseling technique is to recognize, point out, attack and replace the irrational and illogical beliefs and values which influence the decisions made by the client. These are replaced with better beliefs so that better decisions can be made. If basic irrational beliefs and values can be changed, financial re-education and money management carryover can be achieved.

The following 5 exercises are intended to aid in your understanding the material just read. You may select 1 of 4 possible answers. After indicating your choice, correct answers may be found in Addendum #1.

| | | | |
|---|---|---|---|
| 1. | The Rational Approach of Ellis and Maultsby place the greatest concern on | (A)<br>man's behavior component. | (B)<br>man's thinking component. |

Circle your choice: A B Both Neither

| | | | |
|---|---|---|---|
| 2. | Irrational thoughts, values, concepts and/or beliefs can lead to. . . | (A)<br>unnecessary emotional upsets. | (B)<br>self-defeating behaviors. |

Circle your choice: A B Both Neither

| | | | |
|---|---|---|---|
| 3. | A key word in the rational approach is the word "should." In this approach, things that do happen, should happen. | (A)<br>True | (B)<br>False |

Circle your choice: A B Both Neither

| | | | |
|---|---|---|---|
| 4. | Confrontation and confutation are techniques used to | (A)<br>make the client feel uncomfortable and guilty. | (B)<br>show the client that his present beliefs are irrational |

Circle your choice: A B Both Neither

| | | | |
|---|---|---|---|
| 5. | As applied to financial counseling, the rational approach would attempt to change the client's manner of thinking and faulty beliefs in order to | (A)<br>improve his immediate financial situation. | (B)<br>change his money management practices |

Circle your choice: A B Both Neither

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## Chapter 5

## CLARIFYING OPTIONS AND MAKING DECISIONS

The approach to counseling which most emphasizes clarifying options and making decisions is known as the "Minnesota point of view." The man who is most well known for his association with the Minnesota point of view of counseling is Edmond Williamson. His major writings began in the 1930's. At its inception, Williamson's approach was primarily a model for school vocational guidance counselors who provided information and helped students make vocational and career decisions. It was not intended to be a psychotherapy model to be used with clients having severe personality problems. Even though it is still not generally viewed as a useful model for severe personality problems, its focus has been broadened over the years to include problems other than just vocational and educational (Patterson, 1973).

Williamson's model is best known as a decision making or problem solving approach. Unlike other forms of counseling, its main objective does not end with personal acceptance, self-understanding or making the client feel good. Man is a thinking being and must develop decision making skills so that daily problems can be handled. A major claim of this counseling approach is that the counselor, in working with the client in solving this problem, is "teaching" problem-solving techniques which may be applied by the client to future problems (Patterson, 1973). The counselors see clients, and people in general, as decision makers. However, people are able to make both good and bad decisions. It is the job of the counselor to assist the client in making the best choice.

In the earlier years of this counseling model, "best" may have meant best from the viewpoint of the counselor. He may have even been quite persuasive in attempting to gain agreement from the client. In the early years this often was demonstrated by a counselor "pushing" a student toward a specific career or vocation. However, the approach has changed over the years to be more democratic. The client's freedom of choice is now more respected. The counselor still assists the client in making the best choice, but this is a choice made by the client after a thorough review of all options, possible consequences, personal responsibilities and capabilities (Patterson, 1973). It is, therefore, an informed decision that is being made by the client.

Williamson recognizes six basic steps involved in the counseling process:

1. Analysis - collecting significant information or data about the client.

2. Synthesis - ordering and [illegible] the data obtained in the analysis to make them more useful for the next step.

3. Diagnosis - interpreting the data in terms of the problems indicated and in view of the client's strengths and weaknesses

4. Prognosis - prediction of how successful counseling will be

5. Counseling - assisting the client to recognize and utilize his own resources in handling current problems and to learn skills to better adjust to future situations. Clients are encouraged to ask themselves:

   - How did I get this way?

   - What will probably be the future developments if this present situation continues?

   - What alternative actions could I take and how?

   - How can I effectively upset the above predictions?

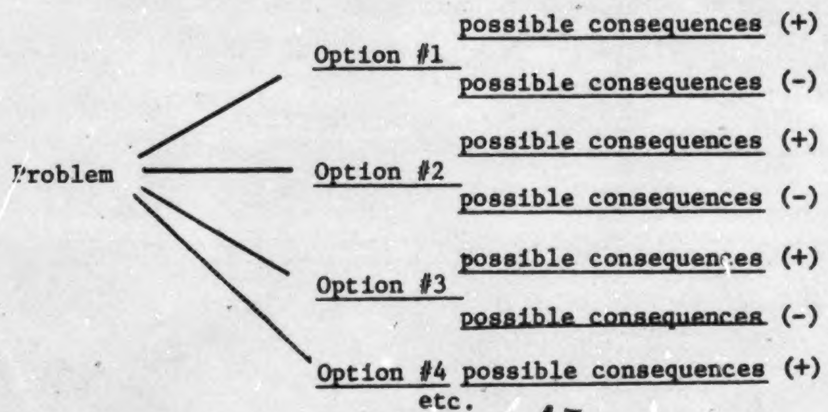
   - How can I produce desirable changes in my behavior?

Client then chooses a course of action.

6. Follow-up - includes assisting clients with new problems, recurring problems or measuring counselor effectiveness.

Although Williamson suggests a number of techniques for possible counselor use, only one will be presented in depth in this chapter. The "advising or planning a program of action" technique not only best represents the Williamson approach, but also has had the greatest impact on the counseling field. Prior to its discussion, however, it is important to note that, regarding the use of any specific technique, Williamson stressed that it must be adapted to the individuality of the client. There is no technique appropriate to all clients. Each client's problems require flexibility and variation in the counselor's attempts to offer assistance (Williamson, 1939).

"Advising or planning a program of action" is a fairly direct technique. Counselors can be quite open and frank in discussing the client's situation in view of his options, strengths and weaknesses. It is an attempt to see as much of the picture as possible before the client makes a decision. The following diagram clearly portrays what occurs:


possible consequences (+)
Option #1
possible consequences (-)
possible consequences (+)
Problem
Option #2
possible consequences (-)
possible consequences (+)
Option #3
possible consequences (-)
Option #4 possible consequences (+)
etc.

One of the functions of the counselor is exploration or "brain storming." No matter how unlikely a choice may be, if it is a possible option, it is listed. Then possible consequences or implications which may result from the client selecting a particular option are explored. Some are generally more probable than others and can be either negative or positive. Often times clients fail to recognize all of the options available to them or the possible implications of various choices.

They may not even want to consider some options (Patterson, 1973). It is the job of the counselor to assist the client to become aware of all possible options. The counselor will also be providing interpretations of the client's strengths and weaknesses in view of the choices available. Again, the counselor is assisting the client in making the "best" choice. It is the client who must live with the consequences (Patterson, 1973).

## APPLICATION TO FINANCIAL COUNSELING

It has been said that counselors can most often be criticized for making one of two mistakes:

1. trying to counsel a client without adequately assessing the problem

2. using a specific favorite technique regardless of the client's problem

These are easy mistakes which can be made by financial counselors as well. Williamson addresses both of these areas. In his "six basic steps involved in the counseling process" noted above, the first three were directly related to determining exactly what is causing problems for the client. Williamson's position on using specific techniques in counseling was also presented above. All clients are different and must be dealt with according to these differences.

The most important single concept to be taken from Williamson's viewpoint is the rational approach to decision making. It is systematic and, if applied, will reduce the frequency of impulsive decisions made by many clients seen by financial counselors. It is hoped that if a counselor could model this approach to decision making in a counseling session, that the client could then begin to make decisions in the same way in future situations. This would be part of the re-education aspect of financial counseling.

Another aspect of this decision making approach could be applied to solving the immediate problem which brought the client in for counseling in the first place. This approach allows for a thorough evaluation of all possible areas of relief--some which the client may not have thought of and some which he may have been reluctant to think of. Furthermore, it is an easy method for determining what the client has already tried in attempting to solve his problem.

In summary, it can be said that Williamson presents another rational approach to counseling. There are a number of viewpoints which are considered rational approaches. Each generally has a different emphasis. Williamson's emphasis is upon making decisions. If this systematic approach of evaluating all options with their possible and probable consequences is applied during counseling sessions and then carried over by clients into future situations, not only will it be an aid to the counselor, but the client's probability of making good decisions will probably increase.

The following 5 exercises are intended to aid in your understanding the material just read. You may select 1 of 4 possible answers. After indicating your choice, correct answers may be found in Addendum #1.

| | | (A) | (B) |
|---|---|---|---|
| 1. | The Williamson model is best known as . . . | problem solving approach. | decision making. |

Circle your choice: A B Both Neither

| | | (A) | (B) |
|---|---|---|---|
| 2. | A major assumption of the "Minnesota Point of view" is that man is a thinking being and must develop decision making skills so that daily problems can be handled. | True | False |

Circle your choice: A B Both Neither

| | | (A) | (B) |
|---|---|---|---|
| 3. | "Brain-storming" is a function often performed by a counselor using this approach. Brain-storming involves . . . | assisting the client to gain self-understanding. | listing all possible choices no matter how unlikely they may be. |

Circle your choice: A B Both Neither

| | | (A) | (B) |
|---|---|---|---|
| 4. | It is the job of the counselor to thoroughly explore all of the consequences which may possibly result from each of the choices listed. | True | False |

Circle your choice: A B Both Neither

| | | (A) | (B) |
|---|---|---|---|
| 5. | If applied by the client, the skills learned from the counselor will . . . | help him solve his current problem. | reduce the frequency of impulsive decisions. |

Circle your choice: A B Both Neither

# References

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## Chapter 6

## VALUES CLARIFICATION

The previous chapter dealt with decision making from the viewpoint of the best decisions being informed decisions. All options and possible consequences are considered and a deliberate choice is made. The process known as "values clarification" is an extension of this decision making process. Values clarification was developed initially for the use of teachers with students in our educational system. In it, people examine their behaviors or decisions in the light of what they say they value (Simon and Olds, 1976).

Sidney Simon and others published the first book on this subject in 1972. It was largely a book of group exercises aimed at helping the participants to become "aware" of the beliefs and values that they really prized (Simon, Howe and Kirschenbaum, 1972). Although Simon discusses seven distinct and separate steps which must be taken before an assumed value can be claimed as a real personal value, this would be too extensive a discussion for our use. Rather, the financial counselor is concerned with the values clarification concept as a confrontive and awareness building technique.

At times, a client can be "too close to the forest to see the trees." An objective and experienced counselor may be in a much better position to recognize inconsistencies in a client's behavior. For instance, if a client is claiming that his primary concern is meeting his current financial obligations and bringing his incoming and outgoing cash flow under control, yet recently purchased an extravagant and non-essential piece of stero equipment and is planning a four-day weekend skiing trip to a plush mountain resort, his assumed values and real values appear to be in conflict. The role of the counselor in situations like this would be to bring the client to an awareness of his inconsistencies. This can be done in either a confrontive or a facilitative manner. However, it is best if moral judgments are avoided.

For example:

Client: (just finishes telling you about his stero equipment and the skiing plans)

Counselor: "You know Tom, I'm hearing two different things. On the one hand you're telling me that your number one goal right now is to regain and maintain financial stability and yet I'm also hearing you say, by your actions, that your greatest concern is with immediate personal pleasure. How do you put those two together?"

This example demonstrates a confrontive attempt by the counselor to bring to the client's awareness that his assumed values are definitely not in agreement with his behavior. It is now the client's problem to deal with the inconsistencies. The client can do this in a number of ways, including denying the whole thing. The counselor may suggest that it might be in the client's best interest if he reconsidered some of these extravagant behaviors, but the ultimate responsibility for making decisions is left with the client.

Generally then, the values clarification technique can be used by a counselor when he recognizes a difference between the client's stated or assumed values and his actual behavior. It is not used in a critical or judgmental manner, but merely in an attempt to make the client "aware" that priorities need to be rearranged. It is hoped that the client would then make an effort to make the necessary rearrangements.

## APPLICATION TO FINANCIAL COUNSELING

Those of you who work with a client's budget generally have an excellent tool to use in the process of values clarification. If you work with clients to determine their present expenses, or how they presently are spending their money, you can use this information. As an example, a client reports that presently the family spends their monthly income as follows:

| | |
|---|---|
| Shelter | $ 420 |
| Food | 230 |
| Transportation | 300 |
| Clothing | 50 |
| Insurance | 60 |
| Savings | 0 |
| Other and Unknown | 200 |
| Total. . . . . . . . | $1260 |

By dividing each category amount by the total monthly income, the counselor can determine what percentage of income the client uses for each category:

| | |
|---|---|
| Shelter | 33% |
| Food | 18% |
| Transportation | 24% |
| Clothing | 4% |
| Insurance | 5% |
| Savings | 0% |
| Other | 16% |

These percentages indicate the operationalized values of this client--the values that are put into action by the client. The percentages can be viewed as part of the whole, such as "you value having a nice home enough to devote one-third of your income to housing." Values of different categories can also be compared to one another. "It appears that you spend more money on liquor and cigarettes than on family clothing."

A client may say that he puts a great value on education--that he really wants to be able to send his children to college. Yet if he saves no money for this purpose, the real value of education that he demonstrates in his actions is zero.

Advertising and social pressure have had a very great effect on our materialistic society. There is a great deal of pressure put on people to "live the good life now," to "buy now and pay later." We are told that we don't have to do without things. As a result, many people focus so intently on living well right now that as a result they never reach their long-term goals.

For a client who has no long-term goals, this is no problem. But there are very few people who have no long-term goals. The horrible feelings that people face when they suddenly reach retirement with no "nest egg" or when Johnny graduates from high school and there is no fund to send him to college is not relieved by the "pleasure" of owning a luxury car or the nicest home on the block. The pleasure of a luxury vacation is wiped out by a summons to court for payment of an old bill.

Values clarification decisions are not just for the middle class either. For the mother on welfare, that new color TV loses much of its charm when there is not enough food to last until the next check.

Two expenses that are frequently noted by financial counselors as problem areas are transportation and alcohol. The average "social drinking" couple (not alcoholics) spends around $50 per month on alcoholic beverages. A couple that "cannot afford" to save money for the children's education, yet continues to drink, shows a higher value on alcohol than education.

The automobile has become a symbol or badge that has little to do with its primary function of transporting people. The average selling price of a new car in 1979 climbed to around $8,000 while a basic new car can still be bought for under $4,000 and a good, late-model used car can be had for $2,000 to $3,000. Over the years, the difference between a "personal luxury car" and a basic transportation car may well be spending one's retirement years in poverty.

Financial counseling is often done in times of crisis, when the focus is on what to do right now. Addressing the future and talking about long-term goals is a way of motivating clients to look beyond today, to see that what is done today influences the way things turn out in the future. In this respect, values clarification is an excellent tool for financial counselors to use to assist their clients in developing a financial plan that will maximize the client's chances of getting out of financial trouble now and staying out of future trouble.

The following 5 exercises are intended to aid in your understanding the material just read. You may select 1 of 4 possible answers. After indicating your choice, correct answers may be found in Addendum #1.

| | | | |
|---|---|---|---|
| 1. | People generally have a pretty good idea of what their values really are. | (A)<br>True | (B)<br>Not necessarily |
| | Circle your choice: | A B | Both Neither |
| 2. | Values clarification, as a counselor technique, is an attempt to: | (A)<br>Confront the client. | (B)<br>Make the client aware that his assumed values are not in agreement with behavior. |
| | Circle your choice: | A B | Both Neither |
| 3. | The values clarification technique can be used when: | (A)<br>The counselor recognizes a difference between the client's assumed values and his actual behavior. | (B)<br>The counselor recognizes a difference between the client's stated values and his actual behavior. |
| | Circle your choice: | A B | Both Neither |
| 4. | The primary purpose in using this technique is to: | (A)<br>Make the client feel guilty. | (B)<br>Make the client "aware" so that the possibility of his making better decisions increases. |
| | Circle your choice: | A B | Both Neither |
| 5. | "Bill, I'm hearing two different things. Maybe you can clarify them for me. On the one hand, you're telling me that your number one goal is financial stability. Yet, by your actions, it appears that personal pleasure is your number one goal." | (A)<br>This is a good example of the values clarification technique. | (B)<br>This is a bad example of the values clarification technique. |
| | Circle your choice: | A B | Both Neither |

## References

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## Chapter 7

## ASSERTIVENESS TRAINING

In a study of the clients of consumer credit counselors, the most frequent cause for debt problems was reported as "poor judgment." This applied to (1) the poor shopper, (2) the compulsive buyer, and (3) one with poor sales resistance. It also refers to the overloading by high-pressure salesmen of buyers who normally could resist a sales pitch (Hall, 1968).

Lack of sales resistance, or allowing high-pressure salesmen to overload oneself, can be a real problem for some clients. This type of behavior on the part of a client can be labeled "non-assertive." However, allowing a salesman to pressure one into making an undesired purchase is only one of many examples of non-assertive behavior. Not taking a shirt back when it is the wrong size, loaning your car to a friend when you don't want to or not disagreeing with your spouse in order to "keep peace" may all be examples of non-assertive behavior. Although it may take many different forms, the underlying theme is always the giving up of one's personal right by the person who is acting non-assertively.

All actions or behaviors can be grouped into one of three categories: Non-Assertive, Assertive or Aggressive. Non-assertive behavior involves giving up your own personal rights by failing to let others know how you honestly feel, think or believe. In a sense people "walk over" you. You may express yourself apologetically. You may even do something you really don't want to do, just because someone else wants you to do it. The goal is usually to please other people or to avoid conflict.

Assertive behavior involves standing up for your rights. You say what you think, how you feel and what you believe in ways that are direct, honest and appropriate. And you do what you think you should do. Others' rights are not violated. Respect is shown for your own rights as well as the rights of others. The goals of acting assertively are to feel better about yourself, maintain or improve good relationships with others, and to increase the possibility of getting what you really want.

Aggressive behavior involves demanding what you want, usually done in a way which violates the rights of others, e.g., stepping on or cutting down others. Aggressive behavior is often dishonest and usually inappropriate. It is dishonest in that the person behaving aggressively is generally not revealing his real feelings which may be fearfulness, vulnerability, threat to self-esteem, sadness, helplessness, frustration, etc. Appropriateness is more of a problem of "context" which involves both the setting and timing of what is going on. For example, to tell a door-to-door salesman who has just knocked at your door to leave or you will report him to the Better Business Bureau is inappropriate behavior. However, had you politely told him two or three times that you had no need for or interest in his product, yet he became increasingly persistent, a response requesting him to leave or you will report him to the Better

Business Bureau would be considered appropriate. The goals of aggressive behavior are either to get what you want or to avoid conflict by dominating or intimidating the other person (Lange and Jakubowski, 1976).

Percell (1977) believes that there is no such thing as a totally assertive person. There is non-assertive, assertive and aggressive behavior, with all of us using some of each. However, people generally tend to behave more one way than the others.

Many factors influence the way in which we act. When attempting to diagnose a client's assertive or non-assertive behavior, it is important to be aware that a person's interactions with others can be divided into one of two broad areas. These two areas are simply known as the "In's" and the "Out's." The In's are interactions with those people to whom we are close, e.g. parents, spouse, children, friends, etc. The Out's are interactions with people with whom we are not close, e.g. saleslady, gas station attendant, stranger on the street, etc. People seldom handle interactions in these two areas equally well. A client may handle interactions with salespeople quite well, yet be unable to deny any financial request of a spouse even if it is outside of a planned budget. Identifying exactly where the problem lies is an initial step to applying any type of corrective technique.

The assertiveness philosophy and "Assertiveness Training" began to make its appearance in the 1960's. Lange and Jakubowski (1976) believe that a new importance placed on personal relationships coupled with a wider range of behaviors being socially acceptable were the two greatest cultural changes which allowed it to develop. They see it as definitely here to stay and not a fad. There have been some misconceptions concerning the assertiveness philosophy. Some have seen it only as a part of the women's liberation movement. Others have viewed it as fostering selfishness with total disregard for the rights and feelings of others. In reality its scope is much broader than the women's liberation movement and includes all persons who desire to (1) improve their effectiveness in getting along with others, (2) improve how they feel about themselves, and (3) increase the probability of getting what they want (Lange and Jakubowski, 1976).

Basically, Assertiveness Training is a "communications" approach. It is believed that if people can learn better ways of communicating their likes/dislikes, thoughts, feelings, and desires, they can then improve their relationships with others.

Percell (1977) suggests that standing up for one's rights is not in itself selfish. It could be selfish if it were done with no concern for the needs and rights of others. A genuinely assertive person will be concerned about the rights and feelings of those with whom he is interacting. This concern will aid him in choosing the "appropriate" manner of interacting. He is careful not to "take a stand" just for the sake of taking a stand, but attempts to do what he believes to be the best thing for the relationship. Therefore, a person who is attempting to live assertively attempts to behave in a manner that will not only enable him to feel good about himself, but also will offer the best opportunity for the enhancement of the entire relationship.

Assertiveness training can be taught to either individuals or groups. The primary goal of assertiveness training is to develop an assertive belief system or life style (total way of living) in the participant. The training gets the person started toward this goal. Although few people ever become fully assertive in life, it is hoped that participants will make gradual advancements toward improvement.

Even though there are many varieties of assertive training approaches, most of the processes have the following four elements:

1. Distinguishing between non-assertive, assertive and aggressive behaviors. This is usually done through definitions and specific examples of non-assertive, assertive and aggressive behavior. (Specific examples discriminating between non-assertive, assertive and aggressive behavior can be found in the "Discrimination Exercises" at the end of this chapter.)

2. Making participants aware of both their personal rights and the rights of others. For example:

    - the right to be treated with respect
    - the right to make mistakes
    - the right to have and express your own feelings
    - the right to feel angry
    - the right to say "no"
    - the right to change your mind
    - the right to have your own needs be as important as the needs of others
    - the right to do things that others don't approve of
    - the right to ask "why"
    - the right to ask for help and assistance
    - the right to have and express your own opinions

3. Exploring the reasons why people typically do not behave assertively or claim their rights:

    a. irrational beliefs - it's not nice to disappoint others; it's my role to be submissive, etc.
    b. rationalizing - it's no big thing, I'll let it go this time
    c. unrealistic view of consequences - if I say "no," she'll hate me forever; if I disagree with the boss, he'll fire me

4. Role playing - practice behaving assertively in troublesome situations. Training may vary from counselor to counselor (or trainer to trainer), but the four elements listed above are generally found in most approaches.

## Application to Financial Counseling

If it can be determined that a client has a problem resisting salespeople, assertiveness training could be quite effective. (It should be noted that at times the problem may not be as much with a salesperson as with a member of the client's family. One may need to say "No, we are not going to buy this refrigerator," to one's spouse instead of to a salesperson.)

After problem identification, the counselor could apply the four steps in the assertive process directly to the consumer problem. For example:

1. Give definitions of and explain differences between the three categories of behavior: (1) Non-Assertive, (2) Assertive, and (3) Aggressive.

2. Make the client aware of his rights as a consumer (e.g. the right to say no, ask questions, not to decide - wait and see, compare products, etc.). You may wish to ask the client questions such as:

   "What are your rights?"
   "Are you accepting those rights?"
   "No one gives them to you, you have to accept them as your own!"

3. Explore why he's having problems:

   a. Irrational Beliefs
      "It wouldn't be nice not to buy anything after he's spent so much time talking to me."

   b. Rationalizing
      "Even though I haven't checked anywhere else, it's probably the best buy - just like he says."

   c. Unrealistic Consequences
      "If I say no, everyone in the store will think I'm cheap."

4. Role play - re-enact situations that have been troublesome in the past or a situation the client is about to enter.

A second point to be emphasized from this technique is that clients need to be (1) encouraged to know what they want and (2) to realize that they have the right to try to get it. If one store doesn't have what you want, it's okay to look someplace else (if that's what you really want to do) instead of settling for a less acceptable choice which a salesperson is strongly promoting. The key is knowing what you want or need and then exercising your right as a person and a consumer to get what you want.

This chapter has only introduced the area of assertiveness training. The resources at the end of this chapter would be good to consult if the counselor wants to gain more knowledge of this approach. For example, in role playing alone, there are over a half-dozen different types of assertive responses which could be used in responding to specific situations (see Lange and Jakubowski for a review of these). When one model would be preferred over another, this would be due to a variety of factors including "appropriateness." The point being made is that assertiveness training can be quite useful to the financial counselor.

## DISCRIMINATION TEST

Below are sample situations with individual responses. This exercise is designed to see how well you can discriminate between Non-Assertive, Assertive and Aggressive behaviors. After reading each situation and response, indicate whether you believe the response to be Non-Assertive (N), Assertive (+) or Aggressive (-) in the space provided. Correct answers are provided in Addendum #1.

| | Situation | Response | Answer |
|---|---|---|---|
| 1. | You have just returned home from purchasing a new shirt. Upon opening the package, you find one of the sleeves is torn. You return to the store immediately and tell the salesperson... | You sold me a damaged shirt. If you don't replace it right now, I'll call your national office! | |
| 2. | You are shopping for a new car. Although you have repeatedly informed the salesperson that you are only interested in looking, at this point he has continued with the "hard sell" attempting to get a sale. You say... | We've told you a number of times already that we have no intention of making a decision on buying a car tonight. We are only interested in seeing what is available. We appreciate your help in telling us about the different cars on the lot, but do not appreciate your continued efforts to get some kind of commitment out of us. If you're going to persist in trying to get a sale, we'd prefer to look on our own. | |
| 3. | You are window shopping and your spouse wants to purchase an expensive item which is not included in the agreed-upon family budget. You want to stay within the budget. You say... | It's your unreasonable insistence on dumb purchases like this one that throws our budget out the window and puts us deeper in debt! | |

| | Situation | Response | Answer |
|---|---|---|---|
| 4. | Your spouse wants to go see a particular movie. You have a different movie which you would really like to see. You say... | Sure,...uh...I'd love to go see that movie with you. | ____ |
| 5. | A salesperson has been extremely cooperative, helpful and nice in demonstrating a product you are interested in buying. You would prefer to shop around and compare prices with other stores. When asked if you would like to buy the product, you say... | Well...uh...it seems to be just what I'm looking for. I guess I will buy it. | ____ |
| 6. | A good friend asks you to help supervise a youth group activity on a night when you had planned to take care of some personal business. Although you don't mind helping friends out, this personal business is quite necessary. You say... | We seem to have a timing problem. I'd love to help except I've already made plans for that evening. | ____ |
| 7. | You are window shopping and your spouse wants to purchase an expensive item which is not included in the agreed-upon family budget. You want to stay within the budget. You say... | Well...if you think we really need it, I guess we ought to get it. | ____ |

| Situation | Response | Answer |
|---|---|---|
| 8. A salesperson has been extremely cooperative, helpful and nice in demonstrating a product you are interested in buying. You would prefer to shop around and compare prices with other stores. When asked if you would like to buy the product, you say... | I appreciate your assistance. You've been quite helpful but I think I want to look around a little more before making a final decision. | ____ |
| 9. You are window shopping and your spouse wants to purchase an expensive item which is not included in the agreed-upon family budget. You want to stay within the budget. You say... | I agree with you that we could really use a new washing machine but it's not in the current budget and I think we need to review our financial situation and see whether we can realistically fit it in before making a decision to buy it. | ____ |
| 10. You are shopping for a new car. Although you have repeatedly informed the salesperson that you are only interested in looking at this point, he has continued with the "hard sell," attempting to get a sale. You say... | Well,...uh...we do like this one here, but... uh...would it be OK if we saw some more? (laughs nervously) | ____ |

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## Chapter 8

# FINANCIAL PROBLEMS AS STRESS AND CRISIS

Michael J. Sporakowski

There is an often quoted idea that sex and money are the two most frequently presented problems in a marriage counselor's office. This is likely to be so for a variety of reasons. As problem areas, both frequently result from a combination of: ignorance or lack of information; differing attitudes, values and expectations; sensitive feelings; difficulties in interpersonal communication; and factors external to the individuals or relationships that result in a feeling of helplessness or lack of control. Our focus here will be on the money aspect of the above discussion, even though you may be at least as interested in the sex aspect.

It is significant to note that financial problems and their relationship to stress-related illnesses have been documented for quite some time. One of the first studies to illustrate this intertwining was done in 1967 by a psychiatrist by the name of Holmes. He and his colleagues developed a list of 43 items that were used to predict the likelihood of major illnesses. Of those items, at least six had obvious relevance to money matters, e.g., change in financial state, foreclosure on a mortgage or loan. Many of the others had implications for financial stresses, e.g., trouble with boss, change to different line of work, marital separation. If a person had experienced enough of the stresses and crises on Holmes' list during a two year period he or she had an 80% chance of having a major medical problem. The conclusion that this author hopes you will draw from this material is that even though problems may be primarily financial in nature they may have implications for functioning in other areas, just as the reverse might also be true.

Stress and crisis are two words that are frequently used interchangeably, but which have separate and distinct meanings. Stress tends to be ongoing, building up. Crisis tends to be an event, although sometimes it seems to be a style of life. Another way of differentiating the two might be as follows: in this harried day and age you find yourself under stress when you have to schedule your restroom breaks; you experience crisis when you find there is no room on the schedule.

Crisis may result from stress over time, such as going deeper and deeper into debt which finally results in a financial crisis. Or, it may be the result of a catastrophe or disaster such as an unexpected death or severe storm damage which results in financial difficulties such as funeral expenses or home repairs. Some individuals and families seem to go from crisis to crisis and are, or seem to be, crisis prone. Others rarely if ever experience crisis. Some prepare for crisis by "saving for a rainy day," while others never take the opportunity to do such saving.

Stress tends to always be around, perhaps even be "normal." To some it is anxiety or worry: "Will I have enough money to get through to payday?" For others it is shown in nervousness, tension or headaches. Much of life has possible stress potential. For example, worry over a test in school, "Did I do a good job at work?", "Will the car start tomorrow?", "If I don't pay this bill will they take me to court?" all could be part of an individual's or family's day-to-day concerns.

It is important to recognize, too, that the effects of stress and crisis can be complex and not easily identifiable. Sometimes complaints about no money really are related to not being loved or a low self concept. Many of us find our ideas about ourselves, our feelings of self-worth, closely tied to how much we are worth in terms of dollars. Cars, clothes and housing are several of the outward and visible signs of our self concept. Going into debt to "prove we are worth something" is not an unusual problem. Similarly, sometimes a person will withhold his or her affection by forcing a spouse or child to be economically over-dependent or by taking away control over financial matters. Because of that it is important for the financial counselor to be more than simply a money manager. This does not mean the counselor should be a psychotherapist or be "everything to everybody," but it does imply that a solid understanding of human behavior can help facilitate the counselor-client interactions and assist in making appropriate referrals. For example, the couple who have been helped to set up a plan for overcoming their debt problems but never seem to be able to stick to that plan may well be reflecting individual or relationship problems that must be dealt with first or concurrently with the financial difficulties. In this case, consultation with or referral to a marriage and family therapist, or other psychotherapist may be indicated. Continuing consultation contact with the therapist may well be helpful in assisting the couple through their financial problems.

The complexity of stress and crisis can also be seen in relation to several factors mentioned at the beginning of this section: ignorance; differences in attitudes, values and expectations; feelings and emotions; communications; and influences outside the individual and his/her immediate interpersonal relationships. To illustrate this idea let us look at a case example.

> John Ramsey has just won $10,000 in a mail order sweepstakes contest. His first reaction is "fantastic, now I can buy that sports car I've wanted for so long. Ten thousand dollars will just about cover the price if I trade in our old wagon." John calls his wife Sally to inform her of the good news. Her reaction is "great, now we can replace some of our old appliances, take a vacation to Hawaii and pay off the orthodontist's bill." When Grandma Sue hears of the windfall she reacts by saying "Wonderful, now you can add the room we've been planning for me, and I can have some of the privacy I've missed having to share a room with Harriet." Harriet, the Ramsey's daughter reacts by saying "Wow, now you can get me a car for graduation and I won't have to burden you for transportation when I go off to college."

Obviously this situation holds a variety of potentials for the Ramsey family. Let's examine where stress or crisis could result. First of all everyone seems to have his or her own idea as to how he/she feels the money could best be spent. There is great potential for conflict since there are more ways to use the money than there is money available. Too, many of these ideas are more "pipe dreams" than realistic, and so negotiation might be required to see if there are some general family uses for this windfall which make more sense, especially if there is some money already set aside for individual "mad money." Reconciling the varying expectations, attitudes and values may well have implications for hurt feelings and emotional expression. For example, John may state: "I won the money, I'll do with it as I darn well see fit." In so doing he may alienate all the others and generate a lot of hostility on their part.

Communication difficulties could also come into play. Grandma might not express her idea as to how the money might be spent, yet "expect" everyone to know what she is thinking. Since they do not, and if they make decisions she does not agree with, she may pout, withdraw or express her unhappiness by creating conflict with others since she did not get her way.

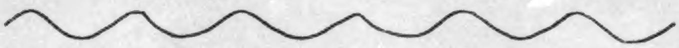
Ignorance could be evidenced in John's assumption that $10,000 could buy the sports car he wanted. Dealer preparation, taxes, title, increased insurance, and less in trade for the old car than he had anticipated might all cause him to have to spend funds beyond what he has won. Also, there will be taxes on his winnings. Both ignorance and an outside factor, the Internal Revenue Service, could come to bear here. Something which at first seemed very simple and straight-forward could become a very complex problem, perhaps leading to crisis, and perhaps a need for financial counseling.

Let us now look at some of the factors involved in the process of stress or crisis. Generally speaking individuals, couples, and families function in some state of balance or equilibrium.

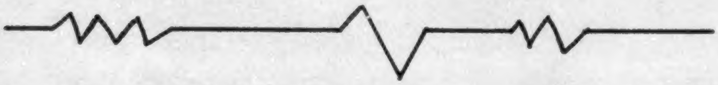
The following lines illustrate some of the possible types:

Steady or Level

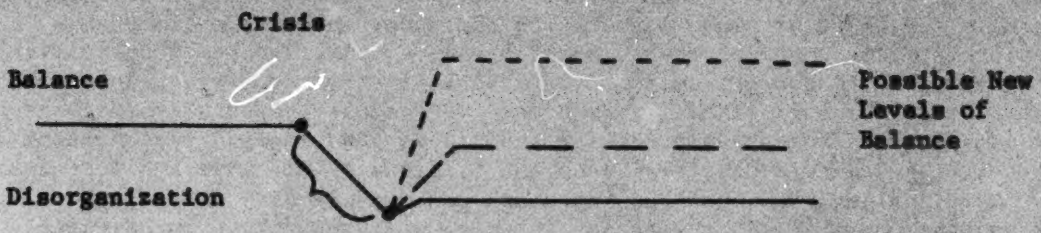
Constant Ups and Downs, Stress



Occasional Crises



With the above, the organization of behavior is generally adequate for meeting day-to-day needs and wants. From time to time stress or crisis comes along and the balance of organization is changed.



The balance regained may be similar to the previous one, at a higher, more positive level or at a lower, less adequate level. A number of factors are related to how the person copes with the crisis or stress:

1. Perception of the adjustment event.
   Is it a crisis or stress or is it another task[1] to be met?
   Do others see it the same way?

2. Has there been previous experience with this event or similar events? Successful or unsuccessful?

3. What kinds of supports and/or assets are available to help? Family, community professionals, helping agencies, clergy, friends, etc.

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[1] One basic adult life task which must be performed is to develop a financial plan that correlates one's financial status with the demands of reality. Failure to perform this task results in stress and crisis. When a young couple expects their first child and the mother, who has been working, will now stay at home, the family must adapt to decreased income and the increasing expenses of the child's birth and maintenance. If the couple does not decrease their spending, they invite stress and crisis. As time passes and children move from grade school into their teens, it may be necessary to adjust the family's budget to provide more entertainment money for the children. If this is not done, the children may experience stress. They might even create a crisis by getting involved in activities that don't cost money such as stealing, shoplifting, vandalism, etc. Most clients who seek financial counseling have not given enough attention to the basic life task of developing a realistic financial plan.

4. How the individual or family attempts to cope with the situation, for example, running away from the problem, ignoring it, overlooking it, trial and error solutions, or an organized method for meeting the problem head on.

The potential for financial stress and crisis exists over the life cycle of families. Let us take a look at this idea on a stage by stage basis.

I. Beginning families. The newly married. Debts from schooling, the wedding and establishing a home are likely.

II. Childbearing families. Having babies probably will cost $1,000-$2,000 each assuming a "normal, uncomplicated" birth.

III. Preschool families. Obtaining enough housing space, clothes and furnishings. Adjusting to reduced income if the wife or husband stays home or works part time.

IV. School age families. Costs of school for children, increased transportation, medical, clothing and food costs.

V. Families with teenagers. Increasing monetary demands. Braces, food, records. Planning/saving for college.

VI. Launching stage. Children leaving home but still requiring funds. College, weddings and helping out with gifts or loans.

VII. Middle years. Preparing for retirement. Possible increasing income with both spouses working again. Child needs less or no financial support.

VIII. Aging. Adjusting to reduced retirement income. Changing living arrangements. Spouse dies.

The above stages do not cover all people, nor do the tasks at each stage necessarily become problems. Nevertheless, each stage may hold a stress and crisis potential for many, and financial counselors could well benefit from a more comprehensive understanding of the family process and system that clients are experiencing. Things such as dependence-independence, dominance and control, and power struggles all may be a part of a family system that shows up for financial counseling. For example, disagreements over the money available for food or clothing may well be an ongoing argument related to who is controlling the income-outgo and who is the dominant decision maker in the family. Problems related to check book balances may have little to do with mathematical ability but find their cause in feelings of low self esteem, antagonism over who does or "should do" the discipling of the children, or one-upmanship over which spouse has the "better job." The system in which families function may not be immediately obvious to the financial counselor, but may have a significant bearing on the financial stresses or crises for which they seek help.

Stress and crisis related to financial functioning may be a simple matter related to lack of one or two bits of misinformation. It may also be a complex problem involving a variety of interactions. It is important to know your own limits as a counselor and when and where referrals are appropriate. Referral and consultation with another expert may provide an additional means of improving your own functioning as a financial counselor when the stress or crisis presented goes beyond your level of expertise.

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# Chapter 9

# REFERRAL

The reader may recall that Chapter 2 dealt with the responsibilities of the counselor. One counselor duty or responsibility not mentioned, however, was that of referring clients to other professionals. Even though referral is probably not a frequent occurrence, it would be the rare counselor who never found a situation which would be more appropriately handled by another agency or professional.

Referrals may be made to another financial counselor within the same agency, to a financial counselor at another agency, or to a service other than financial counseling. The type of referral depends on the needs of the client and the capability of the counselor to meet the needs. Although there may be others, three of the more common situations typically warranting referral will be presented at this time.

1. Personality conflicts between the counselor and the client.

   Counseling is one of the professions which emphasizes the "helping relationship." As professionals, counselors generally have a desire to "help" clients with whom they are working. They have skills to interpret client behavior and diagnose problems. They are generally quite "accepting" of their clients. However, they are also human. There are some individuals with whom they cannot get along. In these cases, it is difficult to say who is at fault--and it is not necessary to lay blame on any one. It's just a fact of life. The client may be able to get along beautifully with another counselor--but not with this one. Therefore, in situations where a definite personality conflict exists between the counselor and the client, it is in the best interest of the client to make a referral.

2. Client desires to work toward a goal which is not compatible with the counselor.

   Counselors have a specific philosophical framework from which they view client problems, understand client behavior, evaluate what is healthy and unhealthy in specific situations, and predict what brings about change in clients. They formulate, with the aid of the client, what they believe to be realistic and productive goals for the counseling relationship. The counselor and client will not always agree on these goals. For example, a client comes for financial counseling because of over indebtedness and inability to meet current financial demands. In talking with the client, the counselor begins to recognize a number of problem areas (e.g., not accepting responsibility for the problem, irrational thoughts about money, confused values, etc.) and suggests that one goal of the counseling relationship should be to bring finances under control by debt consolidation (which will lessen the monthly outgo) and a close examination of the client's spending habits. The client, on the other hand, has a "better idea." He wants to know how he can "default" on his educational loans and, therefore, greatly reduce his total indebtedness. The client has a right to pursue whatever goal he chooses. However, if the client wants to file for bankruptcy and the counselor sees this as unethical or immoral behavior, the counselor must choose whether he can continue to assist this client. If he does not believe he can ethically assist this client toward his goal, referral is indicated.

3. Client may be in need of "other" assistance.

It is not unusual for clients to seek counseling for one problem only to find that a severe or pressing problem exists in another area. For example, many of those who seek counseling for sexual dysfunction are probably in need of marital counseling. Likewise in financial counseling, some may come because of obvious and apparent financial difficulties, yet another pressing problem may be recognized by the counselor. This other pressing problem may even have been a contributing factor to the financial difficulties of the client. Some examples of "other" problems are:

- marital/family adjustment
- extreme individual maladjustment (possible mental disorder)
- consumer problems (illegal contracts, unethical collection procedures, etc.)
- extreme behavioral maladjustment (compulsive buying, numerous fraudulent checks)
- specialized needs (eligibility for welfare assistance, aid to dependent children, etc.)
- child abuse

Financial counselors, like all counselors in any field, are limited in what they can do with clients and, therefore, the type of problems with which they should work. They cannot be "all things to all people." When a situation is encountered where a major problem outside of the area of financial counseling is present, referral to another service is indicated. Another case might be a counselor who lacks the necessary skills to deal with a particular financial problem. Even within highly specialized counseling fields, counselors generally have specific areas of "expertise" or areas in which they possess a great deal more skill than others. Perhaps one counselor has a great deal of knowledge in debt consolidation yet lacks knowledge in dealing with legal complications which accompany some financial difficulties. In a situation like this, referral would be warranted.

> The referral would not be made because of "other" problems and may well be made to a professional within the same agency. However, the counselor has evaluated the needs of the client and made a decision that his skills in a particular area were lacking. His decision is in the best interest of the client.

As indicated above, there are other reasons for making referrals. However, these are probably the more common situations encountered by counselors. It is important that the counselor be aware of a few important points. First, referral should at no time be viewed as a failure of the counselor. Based on his education, training and practical experience, the counselor is merely evaluating the situation and making a decision about what is in the best interest of the client. Again, it is the rare counselor who would never find a situation which would be more appropriately handled by referral to another agency or professional.

Second, if referral is a responsibility and duty of the counselor, he needs to be aware of all available resources. This is not always an easy task. Some communities have books which list all available social services in a specific area, others do not. It is the counselor's responsibility to be aware of what "other" services are available. The responsibility of the counselor does not cease with the decision to terminate the counseling relationship. Once a decision has been made that the client would benefit more from some other financial counselor or an altogether different service, it is the counselor's responsibility to make the referral.

At times, it is probably easier making the decision that a referral is warranted than it is to actually facilitate the referral. By "facilitating the referral" we mean the role played by the counselor in moving the client from one professional (himself) to another. There are two basic steps involved in making a referral to another professional.

Step 1: Informing the client. This is an extremely important step. Many thoughts can run through the mind of a client when referral is mentioned. Some thoughts may focus around personal inadequacies (e.g., "Is my problem really that bad?". "What's wrong with me?"). Other concerns and apprehensions may center around what to expect of the new professional (e.g., "What will he be like?". "Why do I need to see a psychologist; am I crazy?").

Client reactions to the suggestion of referral can be quite varied. To dispel many of their concerns and apprehensions, it is the responsibility of the counselor to explain why the referral is being made. Not only is it the client's right to know but also, whether he actually follows through on the referral and sees another professional may depend a great deal on the counselor's explanation. Discretion should be used and the counselor needs to avoid "judgmental attitudes," yet, a clear reason needs to be presented.

Step 2: Contacting the other professional. Counselor responsibility at this point is debatable. There are basically two approaches and the use of either is largely dependent upon the specific nature of the situation or client involved and the viewpoint of the counselor. One approach is merely to provide the information to the client. Inform him of the name and service of the professional to whom he is being referred and why this professional has been selected. Possibly a selection will be offered to the client. What the counselor knows about these referral sources should be communicated to the client. The client is then responsible for making an appointment, etc.

The second approach requires more responsibility on the part of the counselor and less by the client. In this approach, after an explanation for the reason of referral, the counselor actually makes the appointment for the client. He is taking a greater part in the transition from one counselor to another. He may elect to follow up on the client after the referral has been made to determine whether the client did actually see the new professional and what progress is being made. Again, both of these approaches depend upon the counselor, the client and the client's situation.

The purpose of this chapter has been to present the topic of referral. It is viewed as a very important duty of the counselor. Although not a frequent occurrence, there are times when it is appropriate. Personality conflicts, disagreement over goals and the need for "other" services are all legitimate reasons for referring clients. Referral is not an indication of counselor failure--it is an exercise of his judgment concerning what is in the best interest of the client. Counselor responsibility does not end with making the decision but involves explaining the decision and, to some degree, facilitating the transition from one counselor to another. In essence, referral can be an important "service" provided by the counselor, as well as a responsibility.

The following 5 exercises are intended to aid in your understanding the material just read. You may select 1 of 4 possible answers. After indicating your choice, correct answers may be found in Addendum #1.

| | | | |
|---|---|---|---|
| 1. | A decision to refer a client for "other" services or to another counselor represents . . . | (A)<br>a decision by the counselor that the client could best be helped by another counselor or service provider. | (B)<br>failure on the part of the counselor. |
| | Circle your choice: | A B | Both Neither |
| 2. | Possible reasons for making a referral would include: | (A)<br>inability of the counselor and client to agree upon counseling goals. | (B)<br>recognition by the counselor that a more pressing problem than financial is present. |
| | Circle your choice: | A B | Both Neither |
| 3. | When making a referral, there is no need for the counselor to provide an explanation of his decision to the client. | (A)<br>True | (B)<br>False |
| | Circle your choice: | A B | Both Neither |
| 4. | You are seeing a client for the first time. In the course of your interview, the client tells you that he has been having a great deal of difficulty sleeping, has had no appetite and has been hearing strange noises. You should . . . | (A)<br>focus on helping the client with his financial problems. | (B)<br>consider strongly facilitating a referral for "other" assistance. |
| | Circle your choice: | A B | Both Neither |
| 5. | For a counselor to make appropriate referrals, it is important that he be aware of available resources. | (A)<br>True | (B)<br>False |
| | Circle your choice: | A B | Both Neither |

# Chapter 10

## INTEGRATION

In the introductory chapter of this volume two issues in the field of financial counseling were identified:

1. What financial counselors actually do with their clients and

2. The effectiveness of counselor intervention.

It was suggested that much of what was being called financial counseling was in fact budget planning and financial advising. The results of Hall's 1966 study indicated that very little change in how clients handled their money was being seen as a result of counselor intervention. For financial counseling to meet people's needs, Hall stressed that its goal would have to become the re-education of clients and that counselors would have to broaden their approach. This publication seeks to contribute to the broadening of counselors' scope by addressing the following goals:

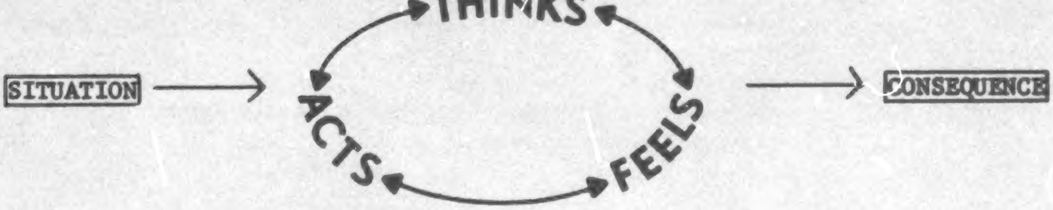
1. To present the concept that man is complex as opposed to being simple.

2. To identify what a counselor is and note the application of general counseling precepts to financial counseling.

3. To provide a variety of theories and approaches to help counselors improve their skill in identifying and working with many of man's complexities.

The first goal was addressed in Chapter 1 where the basic components of an individual were presented in the following diagram:

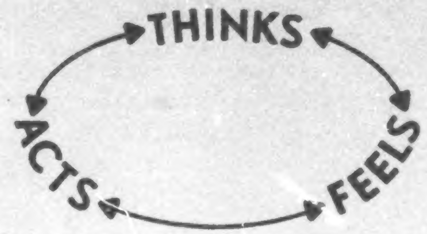
THE INDIVIDUAL



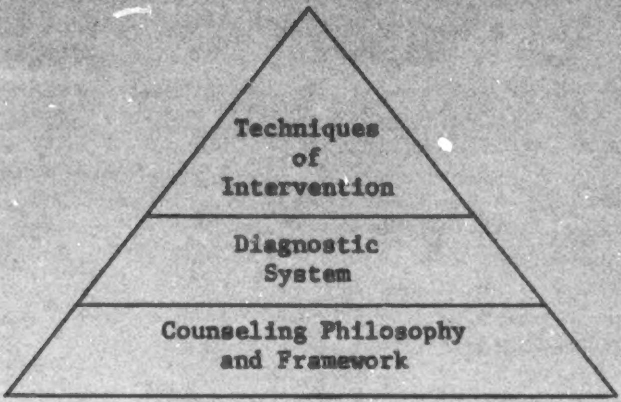
The individual experiences millions of situations in life, has thoughts and feelings about them and takes some action to deal with each situation. Each action has consequences. The individual over a lifetime thus accumulates a complex personal history. Once this complexity is perceived, a counselor can no longer rely on "pat answers" to a variety of complex problems. The more component areas of personal complexity that a counselor can deal with, the more successful he can be with a variety of clients.

Chapter 2 addressed the second goal. It was determined that identifying what a counselor is, is not an easy task. Part of the problem was with the indiscriminate use of the term "counselor" by so many different occupational fields. Five duties of a counselor, regardless of his field, were identified. Financial counselors were encouraged to compare what they are currently doing with these guidelines in order to determine whether they are actually "counseling" their clients.

Theories and techniques to help counselors improve their counseling skills were presented in the majority of the remaining chapters. An attempt was made to relate most of these concepts to the individual components which make up people—thinking, feeling, and behaving. Although a particular approach may be directed at changing one specific component (e.g. Glasser's Reality Therapy was directed at changing the client's behavior), it was stressed that a change in any component would bring about changes in the other two. It is hoped that counselors will find these chapters on counseling approaches and techniques to be helpful in the development of their skill.



Obviously, counselors will find some of these chapters more applicable to their situation or more to their liking than others. A wide variety of approaches were presented and it is not anticipated that counselors will necessarily integrate all of the concepts into their own personal framework. This project staff believes very strongly that a counselor needs to understand and know "why he is doing what he is doing" with his clients. Counseling is not aimless interaction with others. What is done with clients always has an effect upon them--either for their positive benefit or their negative benefit (Wolf, 1974). There is never just a totally neutral effect. The recognition of this fact is what prompted this volume. The underlying theme has been for each counselor to evaluate his personal counseling approach in view of the following framework.



Counselor effectiveness largely depends upon a logical movement from level to level. This is not to say that any one framework is better than another. Decisions of that nature are obviously choices of individual preference. However, any framework should present a logical movement from (1) an underlying philosophy which includes a basic nature of man, what determines his behavior, what denotes pathology, what is healthy and what brings about changes; (2) a diagnostic system which includes how strengths and weaknesses, functional and dysfunctional areas are determined; and (3) techniques of intervention which are the tools and methods of the counselor.

For example, consider the Rational approach presented in Chapter 4. Philosophically, man is viewed as both rational and irrational. The thinking element is the most important component in his make-up directly affecting both how he feels and how he behaves. Rational thoughts and beliefs are both realistic and good for him. Irrational thoughts or beliefs are the cause of unnecessary emotional upset and self-defeating behaviors. The diagnostic system is a logical extension of this philosophical base. If an individual's problems are the result of irrational thinking, then the diagnostic procedure is to explore and determine the individual's thoughts. Once those are determined, specific techniques can be applied to change or correct these problem-producing, irrational thoughts.

This was merely one example of this framework as applied to a particular counseling approach. It can be applied to any counseling approach. The material presented in this volume was designed to allow the counselor to evaluate his personal counseling approach at each of these levels and then to add those aspects of other approaches which he found to be meaningful or beneficial. If, by reading this volume, counselors more clearly recognize and understand their personal approach to counseling, we have been partially successful. If the counselor has incorporated some of the concepts presented, then we have been even more successful. Finally, if reading this material motivates you to explore and study further aspects of the broad field of counseling, with all its complexity, then we have been completely successful. As stated in the introductory chapter, our goal is your goal—enhancing the effectiveness of counselor intervention.

This volume has only "scratched the surface" in reference to presenting counseling approaches. Any of the approaches presented could be studied in much greater depth and detail. In fact, if you found a particular approach to be impressive, we would encourage you to pursue your study of this approach. Materials are usually easy to get hold of. Many of these approaches offer training programs that could also prove to be beneficial. We close with a reminder of one of the duties and responsibilities of the counselor as presented in Chapter 2. Counselors are to constantly evaluate their own performance. This is a strong recommendation that counselors are to be concerned about personal growth and development. Our project staff encourages this concept and believes that personal growth and development are not only possible, but essential if a counselor is to maximize his effectiveness in dealing with clients.

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Hall, P. Family Credit Counseling, An Emerging Community Service. New York: Family Service Association of America, 1968.

## Chapter 11

# PROFESSIONAL GROWTH AND DEVELOPMENT

Professional growth and development is a rather recent addition to the professional world. In the last half of the twentieth century, the development of technology and a flood of printed material has spurred rapid change in almost every facet of our life. This rapid change has meant to professionals that they must either keep up with change or they risk losing their job.

The field of electronics is a perfect example of this. In the last fifty years, the dominant technology has changed from crystals to vacuum tubes to transistors to quartz chips--four major and complete changes of technology in less than one lifetime. Those working in this industry have had a choice--to keep up with the changing technology or become unemployed.

One part of professional development is this keeping up with changes. Keeping abreast of the latest developments is essential if we are to stay current in our field. If we don't keep up, we fall behind. A certain amount of professional growth activities is required just to keep up.

The other focus of professional growth and development is not just to keep up, but rather to get ahead, to advance, to improve. Unlike the person who, on a treadmill, is doing only enough to stay in the same place, some persons want to advance. They want to improve and develop themselves and their skills as much as possible, not just the minimum required.

There are two areas in which a financial counselor pursues professional growth and development activities. One area is in techniques, methods and operating procedures related to work. This improves one's work skills.

The other area is what is called "personal growth." People who interact with others, people in the "helping" professions, can reap great benefits by developing interpersonal interaction skills. Also by knowing ourselves better, we can better know and deal with the problems of others.

It is not unusual to hear athletes talk of "giving 110%," maybe even "200%." They are talking here of 110% or 200% of what is normal. Experts in the area of brain functions generally agree that most people use only 10-15% of their potential brain power. Most of us, compared to a highly conditioned professional athlete, use very little of our physical potential.

Professional growth and development centers on our potential. Each of us has a vast amount of untapped potential, both in terms of our work skills and in our selves. Following a program of professional growth and development is getting off the treadmill of being stuck in the same place and going nowhere, of plodding along just to keep up. By actualizing some of our potential we grow not only more competent in what we do; we also maximize our ability to experience personal satisfaction in what we do because we know that we are truly playing at 100%, not just going through the motions.

Following are discussions of the three broad areas which compose the professional growth and development field:

- Increasing knowledge
- Developing skills
- Personal growth

The discussion of these areas and the examples given are merely an introduction to each area. Those interested in pursuing a program of growth and development are encouraged to use this introductory material as a springboard to investigate these areas further.

## I. Increasing Knowledge

Financial counselors need knowledge in a wide range of areas. Since the field of financial counseling is a blend of family finance, consumer economics, counseling and debtor/creditor law, a counselor needs to know the essentials in each of these fields. Following are brief discussions of these fields.

### A. Family Finance

There are hundreds of textbooks on the market in the area of personal and family finance. Also, there are magazines such as Changing Times that focus on areas of family finance. There are newspaper columns by Sylvia Porter and others. Each of these resources can be used by a financial counselor to expand knowledge in the area of family finance.

### B. Consumer Economics

Ralph Nader created the recent boom in popularity of consumer-related studies. Today there is no end to the books, newspaper and magazine articles, journals, classes, etc. in the field of consumer economics. Financial counselors need to develop knowledge in this field to recognize and deal with the consumer problems of their clients.

### C. Counseling

In the past fifty years the field of counseling was born, has blossomed and has sent out numerous branches. There are many different approaches to counseling and there are many types of therapy from which counselors borrow ideas and techniques. Bookstores and libraries have hundreds of books to increase your knowledge of counseling:

- Reality Therapy by Dr. William Glasser
- The "rational approach" to counseling is covered in many books by Dr. Albert Ellis and Dr. Maxie Maultsby

- "Transactional Analysis" books such as Games People Play, Born To Win, Your Erroneous Zones, I'm OK, You're OK, etc.

- The "gestalt approach"--books by Fritz Perls, Barry Stevens and others.

- The "Rogerian" approach covered in numerous books by Carl Rogers

- Parent Effectiveness Training (P.E.T.) by Thomas Gorden

- Numerous counseling texts by Krumboltz, Carkhuff, Olsen and many others

- Books by Rudoph Dreikurs illustrating the psychology of Dr. Alfred Adler.

This list could go on longer than the entire chapter. There is a goldmine of printed material to read to expand your knowledge of counseling.

### D. Debtor/Creditor Law

Most financial counselors are not lawyers. Nevertheless, they need to have enough knowledge of debtor/creditor law to know when a client or creditor may have acted illegally. This knowledge is not used to practice law, rather to know when it is appropriate to refer a client for legal help.

This area of knowledge is the most difficult in which to inform oneself. Lawyers have a "closed club" which they guard carefully and they use a language that though it appears to be like English, really isn't. Keep in mind that it was the lender's lawyer who wrote the contract that you can't decipher.

The government has been the major source of information about debtor/creditor law. Various FTC (Federal Trade Commission), USDA (Dept. of Agriculture) and other agency publications give explanations of laws that pertain to financial counseling. You are free to read all the various Law Reviews and Bar Association publications, but keep in mind two things. One, you must learn a new language. Two, resources are not as available or easy to locate as they are in other areas. This will become apparent to you your first time in a law library.

## II. Developing Skills

All the knowledge in the world is of limited value without the skill to apply it. Knowledge is gained rather like a bottle is filled--you keep putting more and more into it. While knowledge is input, skills are outgo or application to situations outside ourselves. Because skills are activities, they can only be developed by doing. One develops skill at counseling by counseling. One develops writing skills by writing.

Skill building is done in certain steps. First, one does the activity. Then one examines what was done and critiques it. From this examination, one determines what things not to do next time and what things that weren't done, should be done. The essential step in skill building is the examination phase. If this step is done properly, suitable adjustments can be made quickly and one can learn rapidly. Without a correct examination, the person may learn, by repetition, an unskillful technique.

There are many skills which need to be developed by financial counselors. Most of these skills can be developed and maintained by continuing observation, supervision and evaluation on the job. There is one area of skill, communication, that relates to all the skills needed by a financial counselor and which would be an excellent skill to develop.

A. Communication Skills

The one factor that sets people apart from other beings is our unique ability to communicate. Some experts place so much emphasis on communication, that they believe that all human problems result from inadequate or improper communication.

Improving communication skills is a way for a financial counselor to improve the relationships between oneself and clients, creditors, referral agencies and the community at large. Communication skills are essential for financial counselors. These skills fall into four areas: reading, writing, listening and speaking.

B. Reading

One can read faster and with better understanding by using simple techniques found in books and in speedreading courses. Increased reading skills help to minimize the time required to keep up with your field.

C. Writing

Writing courses are available at night schools, high schools, colleges and universities, community colleges, etc. When you write, you practice organizing thoughts and using new words. Thus, writing skills can contribute to your other communication skills.

D. Listening

The ability to listen carefully to others is essential. A counselor needs this skill to accurately perceive clients' problems and situations. Many counseling texts address this topic. For a discussion that is specifically addressed to financial counselors see Observing Non-Verbal Behavior and Active Listening: Two Basic Skills for Financial Counselors, (Myhre, Harris, Garman, and Harrison).

### E. Speaking

Counselors speak privately to clients, creditors, funding sources and others. The skill involved in these interactions greatly influences a counselor's success. One must be tactful, clear, emphatic and persuasive to successfully deal with others. Counselors also are asked to do public speaking for funding events, publicity spots and educational programs. A counselor's public speaking often affects funding, community acceptance and the effectiveness of educational programming. Obviously, speaking skills are extremely important to a financial counselor. Books are available and public speaking courses are offered. The Dale Carnegie Course is recommended. Toastmasters' Club can afford one speaking experience.

## III. Personal Growth

The "human potential" or "personal growth" movement is a relatively new area of human endeavor. It was mentioned previously that we use only a small part of our potential. Since World War II, the writings of Abraham Maslow, Sidney Jourard, Fritz Perls, Carl Rogers and many other "humanists" have created a flourishing self-improvement movement in the United States.

Most fields that have experienced a "boom" market (e.g. land sales in Florida, Arizona) have attracted a certain number of crooks, gyps and charlatans. The personal growth movement is no different. Also, one must keep in mind that one person's desire may be another person's ripoff.

Financial counselors all know that wise buying is an essential consumer skill. It is, therefore, expected that you, of all people, will shop around to see what you're getting before you pay your money. There are many dynamic and beneficial programs available and it's up to you to determine which, if any, you would like to take part in.

Perhaps a listing of some of the programs lumped into "personal growth activities" would help to illustrate just how broad a field this is: Dale Carnegie, Weight Watchers, Alcoholics Anonymous, rebirth into "former lives," marriage enrichment groups, human relations training, body building, Zen, est, Scientology, Primal Scream, Silva Mind Control, judo, yoga breathing, jogging, Rolfing, dance therapy, massage, out-of-body travel, hypnosis, and so on.

The personal growth movement includes many activities that develop a person's physical self. Included in this group are weight lifting, running, jogging, Air Force exercises, yoga, judo, Karate, dance or body movement, etc. as well as many more common sports like tennis, golf, etc. Getting into shape is very popular now.

Medical evidence indicates that the professional who grows fat and soft sitting behind a desk is apt to die earlier, be sick more often and more seriously, and, in general, not do as well or feel as well. Getting in shape improves one both mentally and physically and is likely to improve your performance at work.

> A word of caution: If you are out of shape, please see your doctor before you begin any program of physical training. Heart attacks do not contribute to personal growth.

Other personal growth activities are designed to develop a person's ability to communicate and relate to others, to more effectively deal with uncertainties and difficulties in life, and to develop a person's ability to improve the quality of one's life. Of the myriad programs available, some of the more popular and reputable offerings should be mentioned:

Dale Carnegie. This is the great granddaddy of personal development groups in this country. It is also one of the most reputable. It is similar to Carnegie's book, How to Win Friends and Influence People. Participants learn interactive and communication skills.

Erhard Seminars Training (est). The purpose of est "is to transform your ability to experience living so that the situations you have been trying to change or have been putting up with, clear up just in the process of life itself." Werner Erhard is the most successful current promoter of personal growth training. est has been the subject of blistering attacks by various news media and journalists, yet almost all the graduates of the program are pleased with the results.

Silva Mind Control. Jose Silva's training draws on the powers of hypnosis and auto-hypnosis to develop the potential of the mind. It is reported to be very effective, but it is difficult to find a training. It is not marketed nearly as well as est.

Minesota Couples Communication Workshops. Originally intended to improve communication between married couples, these workshops have trained thousands of couples, including, in some cases, business partners. Any two people who live or work closely together can benefit from this program. These workshops are commonly church-sponsored. All MCCW group leaders are trained and certified.

Marriage Enrichment. This label is primarily the product of David & Vera Mace, pioneers in marriage enrichment trainings. ME is now more a type of program rather than a specific training. Look for trainers certified by ACME (American Council on Marriage Enrichment).

Transcendental Meditation (TM). TM claims to be the ideal method of relaxation for busy westerners. Those who practice TM regularly, swear by it. Indications are that only a small percentage of those who learn TM continue using it for any length of time.

Assertiveness Training. No national organization exists, but if you can't stick up for your ideas and are afraid to say what you think, it's a valuable training. Check the competence of the instructor by word of mouth or reputation.

Encounter Groups. This term includes everything but the "kitchen sink." The purpose is to encounter the "real you" in relationship with "real others." The process includes honest, straight, no-holds-barred feedback. The value of any encounter group is directly related to the expertise of the leader. BE SURE THAT THE LEADER IS COMPETENT. Some kinds of people can have a "bad trip" in an encounter group. If you believe that "clothes make the man" or that "if you can't say something nice, don't say anything at all" or if you think that putting on a "happy face" is all important, you may find an encounter group very difficult to handle. Your "front" may be torn away and your appearances shattered. If you value appearances over honesty, you are likely to feel a lot of stress in an encounter group. If you are interested in this area, you may want to start out in a less stressful...

Human Relations Training (non-encounter). This, again, covers a wide range of activities from employee leadership methods taught in business schools to how-to-ask-for-a-date classes in High School. As above, the value of this type of activity is closely related to the expertise of the instructor.

The preceeding list covers but a few of the many "personal growth" offerings available in any major city. Many of the humanists have written that as a counselor, one cannot be maximally effective unless one is improving and growing and seeking self-fulfillment. Personal growth activities are recommended by Perls, Rogers, Maslow, Jourard and others.

While it may be true that we cannot achieve our maximum effectiveness without personal growth activities, it is untrue that one cannot be at all effective without them. People are wholly capable of trudging along through life using only a small percentage of their potential. People don't need personal growth activities--they are not essential to life.

They do, however, tend to assist one in tapping the vast unused potential that exists in each one of us. Through the ages, it has been recognized that people who regularly practice some form of physical or mental discipline tend to actualize more of their potential. So whether you opt for jogging, self-hyponsis, weight lifting, Zen or TM, it is apt to be a growth experience with beneficial effects on both your personal and professional life.

## Summary

Each person has a choice in life to remain stuck at a given level of performance or to commit oneself to growth and improvement. Financial counseling is a field in which knowledge from many areas and a variety of skills must be applied by a counselor in the process of assisting individuals and families to resolve financial difficulties. Abundant resources exist that a financial counselor can utilize to develop knowledge and skill areas. A variety of programs of personal growth are also available.

Our human potential for growth is immense. We have the capacity to effect great improvement in all areas of our personal and professional lives.

This entire manual has sought to broaden your perspective of your field. The field you have chosen is one in which your intent is to improve the quality of life for your clients through assistance and instruction in effective financial management techniques. We encourage you to improve the quality of your own personal and professional lives through a program of personal and professional development.

# ADDENDUM

# ADDENDUM 1

## Answers to Exercises

### CHAPTER 1 Defining the Situation: An Introduction

1) B   2) B   3) A   4) Both   5) A

### CHAPTER 2 What is a counselor?

1) B   2) Both   3) Both   4) Both   5) A

### CHAPTER 3 Personal Responsibility

1) A   2) B   3) Both   4) B   5) Both

### CHAPTER 4 The Rational Approach

1) B   2) Both   3) A   4) B   5) Both

### CHAPTER 5 Clarifying Options and Making Decisions

1) Both   2) A   3) B   4) A   5) Both

### CHAPTER 6 Values Clarification

1) B   2) Both   3) Both   4) B   5) A

### CHAPTER 7 Assertiveness Training

1) -   2) +   3) -   4) N   5) N

6) +   7) N   8) +   9) +   10) N

### CHAPTER 9 Referral

1) A   2) Both   3) B   4) B   5) A